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Storm Damage In Midwest Estimated About $10 Million

Area's First Catastrophe Of The Year Produces 80,000 Widespread Losses

A series of wind and hail storms June 28-30 and July 3 produced the first catastrophe of the year in the midwest and hit the insurance companies in the pocketbooks to the tune of an estimated $10 million from 80,000 losses. The storm damage, spread over at least six states, is possibly the most extensive in 10 years in that area, and accordingly, is causing headaches for companies and adjusters.

Most of the damage was sustained by dwellings, although considerable automobile and trailer damage was reported at Kimball, Neb.

The hailstorm which hit Iowa June 28 caused 2,000 losses at Boone, 1,500 at Ottumwa, 1,500 at Oskaloosa, and 500 at Fairfield, all averaging $150.

Areas in Illinois severely affected by the June 28 storm were Rockford, with 1,200 losses averaging $150; Wood River, with 1,500 losses at $125; Quincy, 1,500; Centralia, 800, Carbondale, 600, Harrisburg, 600, and Litchfield, 500, all averaging $100. Madisonville, Ky., had 2,000 losses at $100 apiece, and the area comprising Louisville, Paducah, Henderson and Owensboro had 3,000 losses averaging $100.

Damage from the June 29 and 30 storms occured at Alton, Ill., where 2,000 losses were estimated at $100

(CONTINUED ON PAGE 28)

Sullivan Of Wash. Will Not Run For Reelection This Fall

Commissioner William A. Sullivan of Washington announced this week that he will not seek reelection this fall. His term expires at the end of the year. Mr. Sullivan has held office since 1933, having been elected in the 1932 Roosevelt landslide. For a number of years he has been dean of National Assn. of Insurance Commissioners, a distinction which will now go to John Holmes of Montana.

W. A. Sullivan

Mr. Sullivan is a past president of NAIC.

Lee I. Kueckelhan, chief deputy for 17 years, will be the Democratic candidate for commissioner of Washington.

A native of Ireland, Mr. Sullivan was president of W. A. Sullivan & Co. real estate and insurance agency of Seattle and was in the business for 22 years before he was elected commissioner to succeed H. O. Fishback.

Use Balance Point Loss Ratio In New Institution Cover

The new public and institutional property insurance plan recommended by Inter-Regional Insurance Conference, which is aimed at providing agents with a competitive form and rates on properties where the public pays the bills for the insurance, contemplates a "balance point" loss and loss adjustment expense ratio of 62.5 in arriving at the credits in the plan. Other credits are granted for the inspection program and use of a $1,000 per occurrence deductible, applicable to all perils other than fire and lightning.

The program resembles in many respects the homeowners rating treatment, observers point out, and with the interstate reporting form rating plan where similar credits or determinations exist in developing the rating formula. The trend here is toward companies basing their case for controlling general expense factors on a balance point loss and loss adjustment expense constant. The approach to an underwriting profit plus catastrophe allowance for these classes means that each insurer will scrutinize its division of the remaining portion of the premium. If acquisition cost plus company operating expenses are allowed to go beyond the percentage considered in the rating plan, the possibility of making a profit on the business is regarded as remote.

In considering the new "balance point" idea, companies have in mind that the competitive intensity is not going to diminish. The test of management will be to keep within the expense considered for each of these three modern rating plans. The commission factor considered in the rate is up to 15%, which is regarded by companies as reasonable in view of the competition for the class.

It is contemplated that premium and loss data for coverage written under the new institutional property program will be separately coded so that it may be distinguished from statistics for the same property classes written otherwise and reported under present statistical plans.

Watson Named V-P Of National Union; Carlson Promoted

Marion N. Watson has joined National Union as a vice-president at Atlanta where he will supervise operations in Georgia, Florida, South Carolina and Alabama. Mr. Watson was formerly manager of Aetna Casualty at Atlanta. Victor C. Carlson, formerly assistant manager at Cleveland, has been named manager at Washington.

Mr. Watson began his career with Alabama Inspection & Rating Bureau. He later joined Aetna Casualty at Atlanta as special agent and rating engineer. In 1954 he became assistant manager of the fire division at Atlanta. He was named manager in 1958.

Va. Agents Hold Successful Annual

At the annual meeting of Virginia Assn. of Insurance Agents in Virginia Beach, Paul H. Jones, of Tucson, president of the NAIA, urged agents in their contacts with company friends to work toward a goal of real agent-company discussion of industry plans. Repeated suggestions on this subject, offered constructively and not critically, will bring long range results. This is the way to continued leadership in the business, he said—the way to beat competition, not meet it.

J. V. Arthur Sr.

Hugh H. Coiner, vice-president of the McCollum agency at Arlington, was elected president of the association to succeed Rieves S. Hodnett of Martinsville. Julian H. Rutherfoord Jr. of Roanoke, a member of the state legislature, was elected vice-president and chairman of the board, and J. Norvell Trice of Richmond was named secretary-treasurer.

Morgan For Arthur

Edwin J. Morgan of Hampton succeeded J. Victor Arthur Sr. of Winchester as state national director, a post the latter has held for some years. A special engrossed resolution was presented to Mr. Arthur. He has operated his own agency in Winchester 40 years.

New directors are Frank S. Cosby of Richmond, J. Shelton Scales of Martinsville, L. Graham Haynie of Roanoke, and Jack Neumann of Arlington. Richard E. Smith was renamed executive secretary and appointed general

(CONTINUED ON PAGE 28)

Switch Site Of Meeting Of Insurance Counsel

Because of a strike of employes at the Greenbrier Hotel, White Sulpher Springs, W. Va., the annual meeting of International Assn. of Insurance Counsel was switched on 24 hour notice from that location to Atlantic City. The convention is being held Thursday, Friday and Saturday of this week.

Leslie Memorandum Defends Bureau's Safe Driver Plan

General Manager Denies Plan Means Rate War Or Harms Small Companies

The safe driver plan of National Bureau and National Automobile Underwriters Assn. is not a rate cutting device that will start a rate war and cause the collapse of small companies, William Leslie Jr., general manager of the bureau, declared in a memorandum to Commissioner Carl A. Hulbert of Utah. Mr. Leslie roundly defended the plan in his communication to Mr. Hulbert, who is chairman of the subcommittee on merit rating of National Assn. of Insurance Commissioners.

Classification System Needed

"It is about time this loose talk about small companies were put to an end," Mr. Leslie wrote. A sound classification system is necessary for the well being of all sized companies and represents no danger whatsoever to small companies as such, he said.

Mr. Leslie wrote Mr. Hulbert that

(CONTINUED ON PAGE 22)

Senate Insurance Study Report Due In August

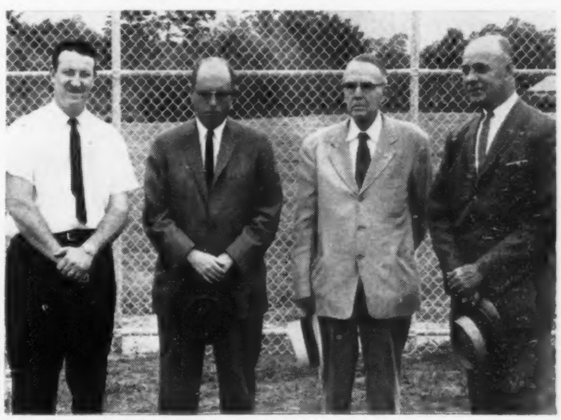
The Senate anti-trust and monopoly subcommittee has voted to submit the so-called secret report that it is writing to summarize its investigations of insurance, rate competition, and regulation to the Senate as of August 8. That is the first day after the congressional recess. The report will then be printed and released within a few days thereafter.

Indications are that there will be a majority report and minority comments by Dirksen, Wiley, and Hruska.

Ky. Whiskey Warehouse Burns

LOUISVILLE—Kentucky had its first distillery fire loss in several years when the Medley Distilling Co. warehouse at Owensboro was struck by lightning June 30. This was a hollow tile 20,000 barrel warehouse, and the loss is estimated as high as $2,250,000.

Attending the dedication at Keene, N. H., of Perry Memorial Field, named in honor of the founders of Peerless, are, from left, Commissioners Blaisdell and Foley; William F. Perry, former treasurer and founder of Peerless, and John O. Talbot, president of Peerless.



Fine Points Of Pet Damage Are Aired In St. Louis Decision Favoring Insurer

Pet damage is no longered covered in the fancy homeowners or in the personal property floater, having been abandoned in 1959 as a risk that could be satisfactorily insured. However, term policies written before the exclusion went into effect still carry this provison, and underwriters and loss men may be interested in a U. S. district court decision in St. Louis which denied an insured a claim for $7,500 for damage to his rugs and drapes, as well as alleged vexatious delay. The insurer was Aetna Fire, which issued a three-year PPF dated Jan. 29, 1956.

U. S. District Judge R. H. Weber overruled the insured, Louis Sachs, who sought a new trial, a rehearing or the setting aside of the court order denying his claim.

Judge Weber reviewed in detail the facts that led to his decision.

Mr. & Mrs. Sachs purchased in October, 1957, a French Poodle, which the judge observed "they appropriately and fascinatingly named Andre." According to Mr. Sachs, Andre was properly trained and "broke" and life was pleasant for the Sachs and peaceful for Aetna until Mr. & Mrs. Sachs went on a vacation and left Andre at a kennel. When they returned their first thoughts were of Andre "and they promptly brought him back to their chateau, blissful in the reunion. But the home-like serenity was soon shattered, for madam spied Andre with his leg hoisted in masculine canine fashion and his purpose had been and was being accomplished. Madam did not testify, but defendant (Sachs) said she told him of the occurrence and he promptly surveyed the living room, dining room and hall and found signs of Andre's misfeasance. His next step was to notify his insurance agent and to make claim under the floater provisions of the policy."

There was some dispute as to whether proper notice was given and claim made, but Judge Weber was convinced that Mr. Sachs gave notice within the terms and provisions of the policy. Aetna sent an adjuster to the premises to survey the effects of where Andre had performed, and, in fact, he testified that the poodle gave a "command performance" while he was there. Also a rug specialist was sent to the premises and he too made a survey. The judge noted that the rug specialist found spots ranging in diameter from the size of a dime to nine inches and in number from 75 to 80. He testified that one or two could have been repaired, but not that many, for it would have been impossible to match the yarn in the rug and the patches and repairs would have been as obvious as Andre's tell-tale marks. He also said that the spots would have been readily noticeable from the time they dried and that they extended throughout the living room, dining room, hall, stairway and were on the rug, furniture and drapes; "which gives rise to the conclusion that Andre had the run of the house."

The owner of the kennel, where Andre spent two weeks gave as his opinion that a dog with good habits would not lose them in two weeks; that he properly cared for the dog and had provisions for outside relief facilities for dogs in his kennels; and that four or five times a day would be a maximum amount of calls to nature for any dog, including Andre.

Aetna brought a declaratory judgment suit to determine its liability for threatened prosecution by the Sachs and contended that there were just too many incidents for an insurer to be liable for. The Sachs claimed surprise at Andre's change of habits and contended that there were but four or five incidents and the rest of the spots were pure dribbles, and he counter-claimed for total loss of carpeting and for damages in the amount of $7,500.

"At the rate of four or five calls per day, at best it would have taken Andre about 16 days to make all the spots," the court remarked. "But, on the theory that each incident is entitled to a dribble or two, it could probably be said, without fear of contradiction, that the spotting represents 10 to 12 incidents and probably over a period of a week. In that length

(CONTINUED ON PAGE 26)

Mutual Of Omaha To Sponsor ABC TV Cover Of Political Conventions

Mutual of Omaha will be one of the major sponsors of telecasts of the national political conventions in Los Angeles and Chicago over the ABC network. The company will sponsor nearly half of the commercial time available and the coverage will include the full network of nearly 100 ABC stations.

The Democratic meeting will be in Los Angeles July 11-15 and the Republican convention in Chicago July 25-28.

Covering the convention for ABC will be John Daly and Bob Considine, the latter having been sponsored by Mutual of Omaha since 1950.

Wis. Agents Have 200 At Midyear Meeting

An enthusiastic group of members of Wisconsin Assn. of Insurance Agents took steps to build a strong association at the midyear convention in Superior. Billed in advance as a "family affair," the meeting followed that pattern with 50 "junior agents" comprising nearly 25% of the total registration.

The agents adopted a resolution asking that the national association encourage states to prepare trend analyses of the auto market "in order to ascertain the true picture of the automobile writings throughout the U.S." In Wisconsin a survey has shown that the percentage of auto business being written by companies subscribing to the independent agency system is increasing, but the companies have expressed surprise with these findings and consider this to be a "local situation."

Speakers included Capt. Alfred Boelter of the Wisconsin State Patrol, on traffic accidents; Commissioner C. L. Manson; John J. Batenburg, Racine, state director, on "Making Our System Work;" P. N. Snodgrass, General Casualty; and William Hoppenjan and T. L. Mulcahy, both of National Fire, who discussed the new homeowners policies.

The Wisconsin auto insurance survey shows that agents are writing 60% of the business and direct writers 37%, while 3% goes through finance companies. The agents expect total auto premiums in their state to rise from the current $115 million to $135 million in 1965. Auto registrations in Wisconsin now total 1.7 million.

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Argonaut has named Raymond H. Nelson underwriter at Minneapolis.

Insurance Stock Bid Prices Are Given For June And December

Bid prices of 119 fire-casualty and life stocks, compiled by Levering Cartwright of Cartwright, Valleau & Co., Chicago, are given below as of June 30, 1960, and last Dec. 31. In his column on page 31, Mr. Cartwright comments on the average prices of these stocks compared with changes in the Dow-Jones averages.

	Bid Prices	
Company	6-30-60	12-31-59
Aetna Cas.	78	80⅝
Aetna Fire	79	76
Aetna Life	80½	85½
Agricultural	31	28
All-Am L. & C.	8¾	10
Am. Equitable	36	40½
Am. General	34½	33½
American Home	43	40
American	26	26¼
Am. Motorists	13¾	14¾
Am. National	7⅞	8⅝
Am. Reinsurance	43	42½
Am. States	30½	29¾
Bankers & Shippers	55	57
Beneficial Std. Life	14½	16
Boston	33⅝	33
B. M. A.	41½	40
Cal.-West. States	50	56½
Camden	33¼	34
Combined	46	44
Commonwealth Life	18¼	21¼
Conn. General	345	354
Cont. Assur.	141	155
Cont. Cas.	72	72
Continental	52¼	54½
Crum & Forster	64	68
Empl. Grp. Assocs.	40	36
Employers Reins.	51	53
Farmers New World Life	105	110
Farmers Unds.	35	35
Federal	56½	59
Fidelity & Deposit	46½	50
Fireman's Fund	56	51¼
Franklin Life	70½	80¾
General Amer. Corp.	292	340
General Reins.	99	91
Glens Falls	35⅜	34
Globe & Rep.	19¼	20½
Govt. Employees	78	88
Govt. Empl. Life	58	59¾
Great Am.	43½	43
Great Southern Life	68	83
Great-West Life	345	344
Gulf Life	18⅝	20⅛
Hanover	42½	39½
Hartford Fire	48¼	50½
Hart. Steam Boil.	75	86½
Home	54½	53
Ins. Co. of No. Am.	64	65
Interstate F. & C.	12¾	15¾
Jeff. Natl.	18½	17¾
Jeff. Standard Life	38½	48¼
Jersey	31½	35
K. C. F. & M.	28½	25
K. C. Life	1220	1420
Liberty Natl. Life	56¼	62½
Life Companies	18½	22
Life & Cas.	16¾	22
Life of Va.	50½	50
Lincoln Natl. Life	237	245
Maryland Cas.	35½	36¼
Mass. Indemnity	40	39½
Mass. Bonding	41	36¼
Mass. Protective	71	66
Merchants Fire	31	30¾
Merch. & Mfrs.	12¼	13¼
Midwestern United	35½	36
Monumental Life	52	57
National Fire	142	142
Natl. Life & Acc.	98	115
Natl. Old Line	15½	15⅜
Natl. Reserve	155	158
National Union	35¼	36¾
Nationwide Corp.	32½	37¾
New Amst. Cas.	50¾	48¾
New Hampshire	52	51
New York Fire	30½	32½
No. Am. Life	13¼	14
Northern of N. Y.	39¾	41½
Northern Life	136	136
N. W. Natl.	93	98
N. W. Natl. Life	93	97
Ohio Cas.	23½	28½
Ohio State Life	43½	62
Old Line Life	60	72
Old Republic Life	19	15¾
Old Republic Ins.	15¼	14
Pacific of N. Y.	55	58
Pacific Indem.	55	65
Peerless	21¾	22
Philadelphia Life	49½	43⅝
Phoenix of Hartford	78	82½
Postal Life	15	17
Prov. Life & Acc.	81	99
Prov. Wash.	20½	20½
Quaker City Life	50¼	46¾
Reinsurance Corp.	21½	19
Reliance	53½	49
Republic, Dallas	55	60⅜
Republic Natl. Life	35¾	33
St. Paul F. & M.	56½	60⅜
Seaboard Surety	33	43
Security	51½	42
Southland Life	88	98
Southwestern Life	52	60
Springfield F. & M.	32¾	30⅝
Standard Acc.	49¼	58½
Standard Life	50	60
Travelers	83½	85¾
United, Chicago	35¾	33⅛
U. S. F. & G.	40½	35
U. S. Fire	29¼	28½
U. S. Life	39½	43½

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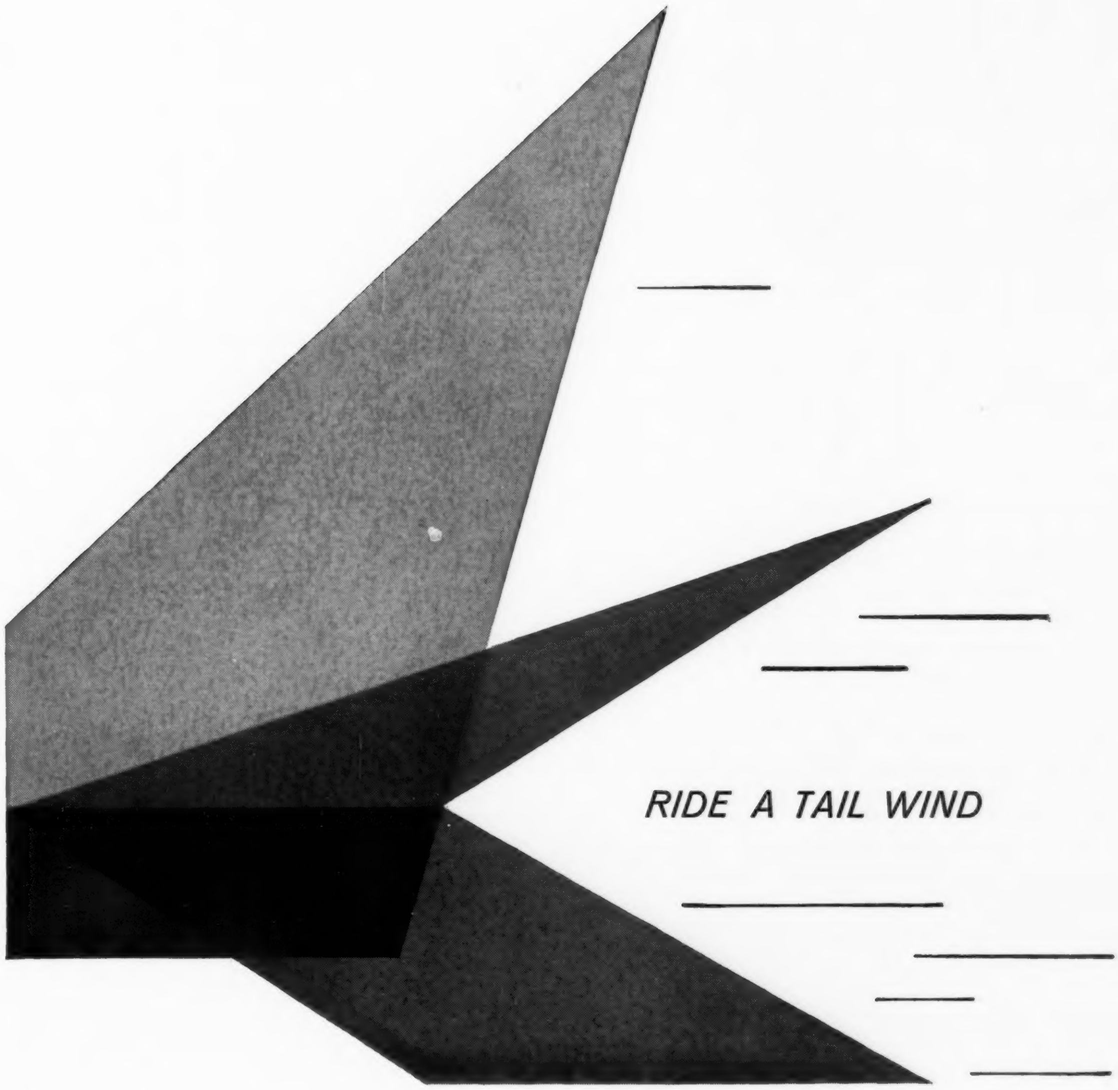
RIDE A TAIL WIND

Home Entering B&M, Griffin Is Manager

Home is entering the boiler and machinery field and has established a new department to handle the line. Richard P. Griffin, who has had 21 years in boiler and machinery underwriting, sales, and administration is manager of the division. He will be assisted by Ronald H. Randall, underwriter, and Robert H. Jacobs, engineer. Mr. Jacobs, a CPCU, has spent 14 years in the boiler and machinery field.

Because B&M is a catastrophe line, the company is starting conservatively both as to geography and size of risk. Initially, it will write B&M business in the east. As time goes on the department will add personnel and expand operations.

Wisconsin Field Men Name Roberts President

WAUKESHA—Donald T. Roberts, U.S.F.&G., has been elected president of Wisconsin Capital Stock Insurance Assn. at the annual meeting here.

Thomas M. Irvine, American, was named vice-president and Francis E. Bruns, Springfield F.&M., secretary-treasurer.

Named to the executive committee were Hilbert O. Herman, Northern Assurance; Kenneth E. Hawkins, Crum & Forster, and W. D. Hoppenjan, National Fire.

Central Casualty Adds $300,000 To Capitalization

Capital and surplus of Central Casualty of Chicago has been increased $300,000 with the sale of 100,000 shares of $1 par stock, all of which was purchased by Charles W. Bray, president. The stock was sold at $3 a share, and $100,000 was added to capital, making that figure $500,000, and $200,000 to surplus, which now amounts to more than $365,000.

Central Casualty now has 500,000 shares of $1 par stock outstanding. Increased capitalization will allow the company to qualify for licensing in more states than the 31 in which it presently is entered.

Zurich is reducing rates for its Merimac auto coverage in Georgia.

Michigan Field Groups Elect New Officers

Michigan Capital Stock Assn., Michigan Fire Prevention Assn. and Michigan Pond of Blue Goose and its Detroit puddle elected new officers at their annual meetings last month.

James C. McKinley, Aetna Fire, was elected to succeed Harry R. Alm, Phoenix of Hartford, as president of Michigan Capital Stock Assn. John A. Heyboer, Great American, is vice-president, and David H. C. Morris, Great American, is secretary-treasurer.

New officers of the fire prevention association are: President, H. Leonard Moran, Millers National; vice-president, R. E. Richardson, Corroon & Reynolds; secretary, Carl J. Gard, Fireman's Fund, and assistant secretary and treasurer, Robert W. Stack, Home. J. E. Macy, Buckeye Union, is the outgoing president.

Roy P. Jensen, Fireman's Fund, was succeeded as Most Loyal Gander of the Michigan Blue Goose by Robert F. Irvine, Western Adjustment. Richard H. Harrold, Finnell & Finnell, is supervisor; Kenneth G. Davidson, North British, custodian; Samuel I. Gray, New York Underwriters, keeper, and Arthur L. Gundersen, Northern of London, wielder.

The Detroit metropolitan puddle named Stanley E. Felthouse, Nelson & Killian adjusters, as big toad to succeed David E. Bearsley of Reliance. Pollywog is Eugene Grass, Sun; croaker, P. J. Roger, P. J. Roger Co. adjusters; bouncer, Jack E. Macy, Buckeye Union, and keeper, R. E. Blum, Western Adjustment.

Saunders Seeks Reversal Of Perjury Conviction

AUSTIN—Reversal of the conviction of J. Byron Saunders, former chairman of the Texas board of commissioners, for perjury in testimony submitted to a legislative committee probing the collapse of the ICT insurance empire of BenJack Cage, was sought last month in a hearing before the court of criminal appeals in Austin.

John D. Cofer, Mr. Saunders' attorney, argued that perjury could not result from a legislative investigation since committee witnesses are not "required by law" to testify under oath. He also contended that questions about client's personal business transactions were not material to the committee's investigation into the need for new insurance and securities laws.

David McAngus, assistant district attorney, countered by arguing that the committee was trying to find out if Mr. Saunders had faithfully discharged his duty to enforce insurance laws. He received permission to file a supplementary brief, which was taken to indicate that the court will not rule on the plea until its fall term.

Aetna Fire Auto Premium Increase Was Overstated

The 1959 increase in automobile writings of Aetna Fire, as reported on page 27 of the June 10 issue is incorrectly shown as $10,311,542. This figure should have been $824,023.

Aetna Fire in 1959 had earned auto premiums of $33,803,109 and incurred losses of $21,344,295, the loss ratio being 63.1.

SURVEY OF MAJOR INSURERS SHOWS:

Policyholder Relations Programs Becoming Increasingly Important

Many insurers in all branches of the business are showing increasing interest in policyholder relations programs. The National Underwriter is conducting a survey to bring its readers developments that should be of interest, not only in their own branch of the business but in others as well. Following are the replies from three leading insurers. Others will be published in future issues.

TRAVELERS

As you know, we are an American agency company, and under that system our contact with the policyholder is almost wholly through our local agents and field representatives It is our feeling that the local agent, being, as he is, in direct personal contact with the policyholder, is our best and most effective contact.

The local agent not only solicits and acquires the policyholder in the first place, but is encouraged by the company to feel that the individual client is his policyholder—and that it is his responsibility as well as his opportunity to service each policy sold and to solicit and provide additional all-lines coverage according to the policyholder's special needs.

There are, of course, many ways in which our company tries to be of maximum help to the policyholder as well as ways in which we try to win and keep his good will—but again these are largely indirect in nature and are, for the most part, activated through Travelers representatives. We were among the first—if not the very first insurance companies to establish a formal home office school for the thorough training of our agents and salaried field staff, so that insurance buyers might have dependable guidance and advice—both before and after the sale. From its founding in 1903, this program has been a leader in career education in the United States.

For the greater protection of the policyholder, we organized the continent-wide "Pledge to Service" program through which more than 13,000 Travelers agents and brokers, coast-to-coast pledged themselves to assist our policyholders in every way possible when any Travelers automobile policyholder became involved in an auto accident while traveling, no matter how far from home. This is in line with the slogan widely adopted by our agents: "Our service begins—not ends—with the sale." A pledge of service identification card is provided for policyholders to serve as an introduction to Travelers agents while away from home.

Of course many, many items, printed or otherwise, (which, we hope, serve to enhance policyholder relations) reach the policyholder from the company—but either principally or wholly through the local agent—including advertising literature of all descriptions and a large variety of so-called good will builders such as baseball and football schedules, Currier & Ives wall calendars, wallet-size calendars, ball-point pens, birthday and Christmas cards, cigarette lighters, policy wallets, diaries, coloring books for children, etc.

Another factor tending toward good policyholder relations is the fact that expert help from insurance specialists—salaried Travelers staff members attached to our numerous branch offices—is always available to our policyholders through their local agents.

In the important field of accident prevention, Travelers renders effective service to the policyholder through the activities of our safety engineering division. The first of its kind, the division was organized in 1904 and now includes approximately 500 trained safety experts, using the most modern scientific instruments and techniques. In addition, Travelers has expended more than $127,448,000 in the interest of accident and fire prevention.

During the past year, our company has continued its program of "taking insurance protection to the people" according to population shifts particularly in the rapidly expanding suburban areas. This is done through ex-

(CONTINUED ON PAGE 27)

External, Internal Pressures Causing Adjuster Dilemma Told

A twofold dilemma facing adjusters and the pressures causing it were described by Robert L. Lusk, educational director of Mutual Loss Research Bureau, who spoke at the June meeting of Chicago chapter of CPCU. Mr. Lusk said that there wasn't anything wrong with adjusting that isn't also wrong with business generally, and he had in mind inflationary thinking, TV rigging, payola, and vicuna influence.

"The basic problem," he said, "is that too much of the loss dollar is not going for a loss." Since World War II, companies have maintained an extremely liberal loss paying policy, subscribing to the philosophy that the policyholder's interest is paramount. "However, we earn no respect when we allow ourselves to be influenced by the whim and caprice of avaricious claimants. Excessive loss payments trickle down the drain never to be recovered. They are not appreciated; actually, recipients of such windfalls are usually contemptuous of their benefactors," he declared.

There has been plenty of talk about reducing the expense, but little has been said about trying to reduce the loss ratio, except indirectly through improved underwriting and loss prevention programs, he said.

Mr. Lusk quoted Webster's definition of "dilemma" as being in "a choice between disagreeable alternatives." The adjuster's dilemma is twofold, he said, involving first, his inability to function objectively due to pressures applied by those who control assignment of losses. The alternative is loss of assignments. The second dilemma is the lack of an acceptable formula which will enable a competent adjuster to demonstrate his ability and economic worth. The alternative is inadequate compensation.

Pressures Common

The pressures which aggravate the problem are both external—those which are beyond the industry's control—and internal—those which the industry can do something about. The external pressures are common to most businesses, what with the vast change of philosophy and mode of living in one generation. Security outranks opportunity as a goal and too many young men are dedicated to attaining security in the easiest, quickest manner without too much regard for how they do it. "We are so immersed in the 'urgent' we rarely get around to the 'important,'" he declared.

Prosperity is being maintained through the economics of obsolescence in which most consumer goods are not made to last any longer than the last payment on the financed cost. The adjuster is bound to be persuaded by these everyday influences, and therefore there is a general climate which makes it harder to establish and maintain good adjusting standards, he said.

Cites Laxity, Looseness, Larceny

Mr. Lusk categorized the internal pressures as being laxity, looseness, and larceny. Under laxity he listed lack of field supervision, failure to define acceptable procedures and standards, permitting losses to fall into unskilled or unfit hands, insufficient screening and evaluation of self-styled adjusters, and inadequate edu-

(CONTINUED ON PAGE 20)

N. Y. Releases 1959 Disability Benefits Experience Figures

Superintendent Thacher of New York has released the combined 1959 experience figures of companies authorized to do business in the state under the disability benefits law. The experience tables show that in 1959 some 2,460,000 employes were insured for the required minimum coverage.

Experience under plans which provide benefits in excess of those required by the disability benefits law, covering an additional 1,530,000 workers, is not included in the tables, because no significant conclusions can be drawn from this experience in view of the many variations involved, the department said.

During 1959, the frequency of claims decreased, while duration of disability and the cost per claim showed increases. For each 100 employes insured, 6.49 received benefits as compared with 6.65 per 100 during 1958. The average disability period in 1959 was 7.01 weeks as against 6.54 weeks in 1958. Benefit payments per employe averaged $230.37, an increase of $19.43.

Superintendent Thacher pointed out that in comparing the 1959 experience with prior years, it should be noted that the maximum benefit period was increased from 20 weeks to 26 weeks effective June 1, 1958. The recent change in the disability benefits law, increasing the maximum benefit rate to $50 a week, effective July 1, 1960, does not affect the experience for 1959 and prior years.

Other 1959 vs 1958 figures are: Amount of covered payroll, $6,705,233,823 and $6,439,179,996; number of initial claims allowed, 159,518 and 157,539; total number of weeks paid, 1,118,975 and 1,030,266; losses paid, $36,748,788 and $33,230,675; average weekly rate of benefits paid, $32.84 and $32.25; annual claim cost per employe, $14.95 and $14.02, and average cost per claim, $230.37 and $210.94.

N.A. Completes Two Schools For Agents

Two educational programs for agents have been completed by North America at the head office. The 55th class of the company's eight-week school closed with two agents cited as honor students—Mrs. Beth I. Prouse of the J. J. Weinstock agency, Salt Lake City, and Richard G. Castor of the Castor agency, Mineola, N. Y. Herbert P. Stellwagen, executive vice-president of Indemnity of North America, presented the awards and diplomas.

A special five-day training program to bring experienced agents up to date on the latest developments in the business attracted 24 agents from over the country. This special course was begun a year ago, and this was the fifth in the series. More than 100 agents have attended.

Elect Hoffman President Of Big Washington Agency

Howard & Hoffman, Washington, D. C., general agency has elected V. Manning Hoffman president to succeed the late Albert W. Howard, who founded the agency with Mr. Hoffman's father in 1906.

The new president joined the firm in 1926 and advanced to executive vice-president. He is president of Firemen's of D. C., president of Home Plate Glass, and a past president of D. C. Assn. of Insurance Agents.

William G. Hoffman was elected an assistant secretary of the agency.

Firemen's of D. C. has declared a 10% stock dividend, payable June 1 to stock of record May 15.

Danforth Succeeds Cowans

Hartford Fire has advanced Raymond A. Danforth to building superintendent at the home office. He succeeds Robert H. Cowans, who has retired after 35 years with the company.

Mr. Danforth joined the company as assistant building superintendent in 1953. He will be assisted by Charles W. Church, who joined the company in 1956.

Mr. Cowans went with Hartford Fire group in 1925 and was named building superintendent in 1937.

Ludlum & Hovell, New York brokers specializing in theatres, hospitals and schools has been merged into **Frank B. Hall & Co.,** which is the surviving company. Edward S. Benfield Jr., president of Hall & Co., will head the new company, and Armand C. Hovell, president of Ludlum & Hovell, will serve as a vice-president.

1960 Edition Of Argus A&S Chart Is Off The Press

The 1960 edition of the Argus Chart of Accident, Sickness & Hospitalization Insurance has just been published, showing the significant facts and figures of 992 companies of all kinds writing this class of business. The financial statement information includes operating reports, underwrit-

(CONTINUED ON PAGE 18)

Jury Holds For Insurers In $1 Million Case Involving Electric Apparatus Clause

A jury in the supreme court of Niagara County, N. Y., has returned an 11 to 1 verdict of no cause of action in favor of eight fire insurers and against the plaintiff, Niagara Mohawk Power Corp., in a suit brought under eight fire insurance policies, each of which contained the electrical apparatus clause.

The suit arose out of a disaster that occurred at the Schoellkopf generating station of the power company at Niagara Falls June 7, 1956. On that day, at about 5:30 p.m., an earth movement and rock slide occurred in the gorge of the Niagara River above the three generating portions of the Schoellkopf station. The result of this was that within 10 minutes stations 3B and 3C were completely washed into the river, and station 3A, containing 15 generators, was severely damaged, along with the electrical equipment and generators remaining in the building.

The fire policies did not include EC, but did contain a $200 deductible electrical apparatus clause. This clause, in substance, excluded liability for loss resulting from an electrical injury or disturbance to electrical equipment caused by electrical currents artificially generated, unless a fire ensued in the electrical equipment, in which event the clause covered all direct loss to the electrical equipment located on the premises.

The words "ensuing fire" are defined in the clause as a "self-sustaining fire which continues after the electrical currents artificially generated have been interrupted." The clause also states that "electrical arcing and flashovers, caused by electrical currents artificially generated, shall not in themselves constitute an ensuing fire."

It was the claim of the power corporation that the rock slide when it first occurred knocked out all of the power control of the generators in station 3A. As a result of this condition and before any mechanical damage occurred to the equipment, severe electrical injuries occurred by short circuiting and arcing in some of the generators, which badly damaged them and necessitated re-winding and other expensive repairs.

It was further claimed that after the occurrence the penstock gates furnishing the water to the generators were shut off so that the electrical currents artificially generated were interrupted. Then the plaintiff contended that an ensuing fire occurred in the insulation of two generators which could not be put out, and, as a consequence, the insurers were liable under the provisions of this clause. The damage to the 12 generators claimed was $1,196,104.

Insurer Arguments

The insurers—Aetna Fire, Agricultural, Fidelity-Phenix, Glens Falls, Home, North America, Phoenix of Hartford and U. S. Fire—claimed that no loss occurred under the electrical apparatus clause of the policies. Although there was no denial of electrical injury and multiple arcing during the occurrence, it was the contention of the insurers that the other elements of the clause were not present. First, the companies claimed that the damages were primarily caused by vibration, rock slide and water, and that, if and when the electrical injuries occurred, the equipment had been so severely mechanically damaged in the rock slide its actual cash value at the time of any later electrical injury was at a minimum.

The companies further claimed that the loss was not covered because the electrical injuries occurred before and not after the electrical currents had been interrupted. As proof of this, it was shown that the water flowing through the penstocks to the generators had not been cut off at the time the plaintiff power company claimed that an ensuing fire occurred. Since the water had not been cut off, the generators were still operating and the currents had not been interrupted. Moreover, the insurers contended that the fire in the insulation noted by the plaintiff's witnesses was in reality electrical arcing which could only occur before the current was interrupted.

Finally, the companies argued that the fire, if any, was not an ensuing fire, but a part of the electrical injury itself, and that as such it was not a self-sustaining fire.

The trial lasted four weeks, which made it the longest civil trial in the history of Niagara County.

The power company was represented by Runals, Broderick, Shoemaker, Mathias & Rickert of Niagara Falls, with Clarence R. Runals and John Runals handling the trial. The insurers were represented by Hodgson, Russ, Andrews, Woods & Goodyear of Buffalo, with Hugh McM. Russ, John E. Dickinson and Victor T. Fuzak handling the trial.

Solons Eye Tight Fire Cover Market In Mass., Suggest Pool

Attorney General McCormack of Massachusetts, speaking at a hearing in Boston conducted by a legislative committee appointed to study the difficulty of some property owners in the Boston area getting fire insurance, urged an assigned risk plan to deal with the problem.

Noting that fire insurance is not legally compulsory, the attorney general said that as a practical matter, however, fire insurance is compulsory since 99% of the properties carry mortgages and banks demand insurance be provided.

"There must be some provision made to force the companies to insure," he declared. He suggested some form of assigned risk plan or formation of an insurer by the state to supply the fire insurance.

Arthur C. Conley, counsel for a committee representing fire insurers, said companies were willing to inspect properties before declining business in congested areas. Sen. Foster, chairman of the legislative committee, said this would be a step in the right direction and asked if the insurers would report what needs to be done to the properties to make them insurable. Mr. Conley said the 23 companies had agreed not to reject risks solely on the basis of location and to consider each property on its own merits. This, he said, "is an adequate expression of good faith." An assigned risk plan for fire is absolutely unworkable, he said. It would destroy all incentive to fix up property.

The Massachusetts house has killed a bill to set up a state fire insurance fund to write properties whose owners are unable to secure coverage through private companies.

Lathers Promoted By N. Y. Fire Rating Unit

New York Fire Insurance Rating Organization has appointed Donald M. Lathers superintendent of the New York City division to succeed Spencer T. Stack, retired.

Mr. Lathers was a field man in the Syracuse district before being transferred to New York City division in 1958 and promoted to assistant superintendent of the inspection department last year.

Mr. Stack joined NYFIRO in 1917 as an inspector of special risks and was named superintendent of the inspection department in 1941.

Elected By Fla. Field Men

Florida Field Conference elected Earl Moore, Phoenix of London, president at its annual meeting in Miami. W. E. Addy of George W. Hardin general agency, was elected vice-president, and Thomas K. McMullen of George E. Edmondson general agency, secretary-treasurer.

Nell Joins Hulbert Adjusting

Jack F. Nell, for the past two years chief deputy in the Utah department, has joined Hulbert Adjusting Co. of Salt Lake City as a partner. Before becoming chief deputy, Mr. Nell had 10 years of adjusting experience with Inland Empire and State Farm Mutual.

Hulbert Adjusting was organized five years ago with Carl A. Hulbert and Gerald E. Hulbert as partners. Two years ago, when C. A. Hulbert was appointed insurance commissioner, he sold his interest to Gerald Hulbert.

New England Branch Wins Standard Accident Trophy 3rd Year In Row

The New England branch of Standard Accident for the third year in a row has won the company's branch office merit trophy for all around excellence in operations. The trophy is awarded annually to the branch office demonstrating the highest efficiency in its operations. Profit, production and collections are among areas considered.

C. L. Miller, vice-president and V. L. Kloppenburg, executive secretary, presented the trophy for 1959 and a special scroll to H. S. Blue, branch manager, and Howard E. Rose, bond manager, at a luncheon in Boston. Other home office representatives at the presentation were G. E. McAllister, executive assistant, and D. R. Thompson, assistant to the personnel officer.

The Baltimore branch was runner-up in the 1959 program and Washington was third.

Syracuse Blue Rate Boost Hearing Scheduled July 22

The New York department has scheduled a hearing at Syracuse July 20 on the application of Group Hospital Service of Syracuse (Blue Cross) for approval of rate increases averaging 34.98%. The filing also proposes increases in benefits.

Felke Heads New F.&D. Claims Office In Phoenix

Fidelity & Deposit has opened a claims office in Phoenix under the direction of Thomas G. Felke, who has been transferred from St. Louis.

Mathias-Miller agency, **Hagerstown, Md.**, has appointed William W. Lotz manager of its life department, representing Continental American Life.

UJF In N. J. Pays Out $1.5 Million In 1959

New Jersey Unsatisfied Claim Judgment Fund payments in the fiscal year ended last March 31 reached $1,551,551, W. Lewis Bambrick, manager, states in his annual report. The fund was established in 1955 to compensate victims of uninsured, financially irresponsible, and hit and run motorists. Of the total paid in the year, $745,119 was in settlements and the balance in unsatisfied judgments. There were 6,465 claims pending March 31 for which a reserve of $6,605,904 was being carried.

There was an increase in the number of notices filed with the board and a resultant increase in eligible claims received during the year. This may have been due to a public educational program through the division of motor vehicles, which included an insert with each registration application mailed out. The insert described the purpose of the additional fee collected from those registering uninsured vehicles.

The board's office stepped up its review of assigned files in insurance companies' offices during the year. This resulted in closing out of old inactive files and in extending the educational program of the adjusters handling the claims. To this end a procedures manual was produced and distributed to insurers.

Repayments to the fund, according to Mr. Bambrick, increased in 1959, due largely to the larger number of cases closed through settlements when an agreement or court order was obtained providing for installment repayments by the uninsured. Repayments received in 1959 amounted to $59,916, compared to $63,998 for the previous four years. Twenty uninsured paid off their debts completely in 1959.

The requirement that the uninsured motorist pay an additional fee when registering his vehicle, plus security responsibility requirements, have decreased the percentage of uninsured motorists registering in New Jersey, Mr. Bambrick reported. Statistics for the 10 months ended last March 31 indicate that 93.57% of those registering were insured. The fee assessed for this period was $10. The percentage of uninsured motorists was 18 in 1955, 8.46 in 1956, 7.62 in 1957, 8.66 in 1958 and 6.43 in 1959.

Notices Rise In Number

The increase in the number of new claims in 1959 pointed up the need for a greater income in order to keep the fund financially solvent. Consequently last Dec. 20 the director of motor vehicles increased the assessment on those registering uninsured motor vehicles beginning June 1, 1960, to $15 and assessed the insurers half of 1% of their net direct written premium volume for automobile BI and PDL. This was payable by March 31, 1960.

The increase in the number of notices filed with the board coincided with the first mailing of the educational insert with each registration application. This program made many more people aware of the purpose of the fund and the statutory time requirement for filing notices of intention to make claim. Out of the 6,589 notices filed in 1959, 5,191 claims appeared to be eligible to collect if the uninsured motorist was financially irresponsible and at fault. The eligible notices involved 3,478 accidents, of which the board assigned 2,794 to insurance companies for investigation and defense.

More than $1 million was paid by the fund to qualified claimants for the third year in succession. The 1959 average for 1,099 claimants was more than $1,400 per claim. The amount paid on BI claims was $1,418,399 for an average of $1,755 per claim. PDL claim payments totaled $133,152 for an average of $457. During the calendar year 1959 the security responsibility section of the MV division reported that uninsured motorists filed 6,840 releases and settlement agreements under the security responsibility law for a total of $2,250,815, an average of $329.

During the same period 3,453 claims were closed without payment from the

(CONTINUED ON PAGE 19)

Brazilian Plane Hull Valued At $400,000

The twin-engined Convair of Real Airlines, Brazil, which crashed into Guanabara Bay on a flight from Brasilia to Rio De Janeiro, was insured through Instituto de Resseguros de Brazil. The hull was valued at approximately $400,000. A substantial portion of the risk was placed in the London market.

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American Raises Murphy At San Francisco

Terrence P. Murphy has been promoted to fire manager at the San Francisco branch of American. He entered the business in 1947 with North America, and was with Phoenix of London before joining American as an underwriter at San Francisco in 1957. He was named fire supervisor there last year.

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William J. Martin, superintendent of the bond department at the Newark branch of Loyalty group, has retired after 48 years in the business. He started with National Surety in 1912 and was with London & Lancashire before joining Loyalty in 1921. He worked in the New York City, Brooklyn and Newark offices.

National Union Names Grads To Field Posts

National Union has assigned eight trainees who have completed their studies at the home office school to service offices as field representatives.

William W. Burby Jr. is named to Columbus, O.; Robert D. Charland to Cleveland Heights; Joseph C. Klose and Donald C. Swope to Pittsburgh; Walter H. Shivers Jr. to St. Louis; Paul A. Wirant to San Francisco; William H. Wrentmore to Indianapolis, and Leon F. Zinger to Rochester.

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Burbage Elected MLG Of Mid-South Blue Goose

Mid-South pond of the Blue Goose, elected E. A. Burbage, General Adjustment Bureau, MLG at its annual meeting in Memphis. W. M. Langlois of Home was named supervisor; A. J. Wild of Tennessee Inspection Bureau, custodian; W. M. Parker of Cotton Insurance Assn., guardian; H. E. Shumate Jr. of U.S.F.&G., keeper; and T. T. Somerville of National Union, wielder.

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Federated Mutuals of Owatonna, Minn., have installed a new IBM 305 RAMAC electronic data processing system in the home office.

Pertaining-To-Business In PPF Defined

What constitutes unscheduled property pertaining to a business, profession, or occupation of insured, under the personal property floater exclusion, was defined by Iowa supreme court in Jerrel vs Hartford Fire. The case is reported in CCH 10 (Fire & Casualty) 377.

Lower Verdict Affirmed

The high court affirmed a lower court verdict for insured for the loss of some old films in two fires, to the amount of the coverage, $7,000 under one PPF and $7,000 under its renewal, for a total of $14,000.

The insured, Jerrel, owned Inter-State Film Corp., which went out of business in 1943, and Tele-Visual Productions. He was insured by a PPF for three years from June 5, 1953, and by a PPF for one year from June 5, 1957. The two policies were identical except for dates.

Jerrel brought action against the insurer on two counts. The first was on the first policy for loss by fire March 7, 1956, of 150 to 190 reels of film known as Iowa News Flashes. The second count was on the renewed PPF for loss by fire July 8, 1957, for newsreel films known as Teletopics Pro Football, Southland News Reel, and Iowa News Flashes. Suit was brought Sept. 27, 1957. The insured denied coverage on the first count because of the 12 months suit clause. It denied coverage on both counts because of the exclusion of property pertaining to insured's business. The jury returned a verdict for Jerrel for $7,000 on each count, for a total of $14,000.

From 1935 to 1943 Inter-State Film Corp. produced and distributed for advertising purposes Iowa News Flashes in theatres throughout Iowa. The corporation went out of business in 1943 because it could no longer obtain film. The only remaining tangible assets of the corporation were Iowa News Flashes. Jerrel as sole stockholder took over the reels of film.

From 1943 to 15 months before the first fire the flashes remained in a vault at 12th and Woodland in Des Moines, and no use was made of them. At the latter time Jerrel took the reels to Tele-Visual Production's office to screen and sell if possible. But at no time from 1943 on were the films shown in any theatre.

Films Destroyed

Tele-Visual was formed in 1944 and until March 7, 1956, the date of the first fire, made and distributed to theatres over the country the football and Southland news reel films. They were destroyed in the second fire, which took place in the 12th and Woodland vault. The first fire was at the office of Tele-Visual and not only destroyed the flashes but everything in the office. It put Jerrel out of business, and he did not engage in any business after that.

Jerrel contended the flashes did not "pertain to a business" after Inter-State went out of business in 1943 and that the football and Southland films did not pertain to business after the first fire. Hartford Fire disagreed.

The high court ruled that the mere presence of 150 to 190 reels of film in the business office of Jerrel did not make them part of the business. Also, the court said, on the date of the second fire there is not sufficient evidence of a business of Jerrel to which any of the films could pertain to so hold as a matter of law.

12 Month Suit Clause

As to the waiver of the 12 month suit clause, in connection with the first loss, the court observed that insured had done business with the LaMair-Mulock agency for many years. Both the agency and the adjuster assured Jerrel that the company would not rely on fine print about a contractual limitation of action. Jerrel testified he was not aware he had the PPF coverage until when making out

income tax returns early in 1957 he thought of it.

The 12 month suit clause is valid, the court held. However, though the insurer pointed out that the terms of the policy could not be changed except by endorsement, the provision can be waived by an agent having actual or apparent authority. So, too, can an adjuster waive the provision.

Bannister, Carpenter, Ahlers & Cooney, Des Moines, appeared for Hartford Fire; and Bradshaw, Fowler, Proctor & Fairgrave, Des Moines for Jerrel.

21 New NAMIC Members Bring Total To 1,305

National Assn. of Mutual Insurance Companies has added 21 members, bringing total membership to 1,305 companies, just four less than the high of 1,309 reached in 1956. NAMIC members are domiciled in 42 of the states. Membership represents companies of varying sizes and methods of operation; about 75% being county or township mutuals operating in areas of one state or less. The remaining 25% includes both large and small advance premium, auto, casualty and general-writing fire mutuals.

The new member companies are: Farmers Mutual Fire & Lightning of Fairfield, Ill.; Germantown (Ill.) Township Mutual Fire & Lightning; Iuka Mutual Marion County (Ill.) Fire; Magnolia Farmers Mutual County Fire, McNabb, Ill.; Ursa, Mendon & Lima Mutual Fire, Ursa, Ill.; Wilberton Township Mutual, Shobonier, Ill.; Lincoln Mutual Casualty, Detroit; Bloomfield Township Mutual Fire, Spring Valley, Minn.; Harmony (Minn.) Farmers Mutual Fire; Pine County Mutual Fire, Askov, Minn.; Spring Garden Leon Mutual, Cannon Falls, Minn.; Elevators Mutual, Lima, O.; Manor Mutual Fire of Lancaster, Pa.; Hawkins County (Tenn.) Farmers Mutual Fire; Farmers Mutual Aid Association of Washington County, Tex.; German-American Mutual Assurance, Pflugerville, Tex.; Farmers Mutual Fire of Washington County, Va.; Church Laymen Mutual, Huntington, W. Va.; Harrison County (W. Va.) Farmers Mutual Fire; Dairyland Mutual, Madison, Wis.; and Furniture Mutual, Milwaukee.

Named Neb. State Agent

Phoenix of London group has appointed Eugene W. Dressler Nebraska state agent. He will be under the supervision of M. W. Besack, manager at the central service office in Omaha.

Port Huron Agents Pick Moore

Edward R. Moore Jr. has been elected to succeed Edward W. Kearns as president of Port Huron Assn. of Insurance Agents. James G. Moore is vice-president, and George W. Hathaway is secretary-treasurer.

Indiana Names Bridge Special

William W. Bridge has joined Indiana as special agent in northwestern Indiana. He will maintain headquarters at South Bend and be associated with John P. Keiser and William E. Andreas.

The David Schenck agency, **Greensboro, N. C.,** has purchased the Edward A. Howell agency there. The agency will move to larger quarters on Aug. 1.

Taylor agency, Annandale, Va., has appointed Alton H. Hollister Jr. head of its new life department.

J. H. White Retires As Hall & Henshaw Partner

James H. White, partner in Hall & Henshaw, New York general agency, has retired but will continue as executive consultant on engineering and rating matters. He joined the firm in 1932 and was elected a partner in 1950.

William J. McIntyre succeeds Mr. White in charge of rating, engineering and appraisal, and will have Robert Hausman as assistant.

Argonaut Elevates Two

Argonaut has elected Jack F. Bowley vice-president and treasurer and Robert H. McCaffery assistant treasurer. Mr. Bowley, a CPA, has been treasurer of the company since 1954 and was elected to the board in 1957. Mr. McCaffery joined the company in 1952 as chief accountant.

Atlanta Area Assn. of Insurance Agents has elected Gerry H. Holden Jr. president to succeed Raymond Turpin; James McKenzie vice-president, and Arthur Bishop secretary-treasurer.

Conventions

July 17-20, Consumer Credit Insurance Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.

July 22-28, National Assn. of Claimants' Compensation Attorneys, annual, Jack Tar Hotel, San Francisco.

August 7-12, Honorable Order of the Blue Goose, Grand Nest, Sheraton Cadillac Hotel, Detroit.

August 10-11, ABC Service Bureau, annual, Marott Hotel, Indianapolis.

August 10-11, Hoosierland Rating Bureau, annual, Marott Hotel, Indianapolis.

August 14-17, West Virginia agents, annual, The Greenbrier, White Sulphur Springs, W. Va.

August 15-17, Texas mutual agents, annual, Hotel Galvez, Galveston.

August 22-24, International Federation of Commercial Travelers Insurance Organizations, annual, Queen Elizabeth Hotel, Montreal, Canada.

August 24-27, Federation of Insurance Counsel, annual, Bellevue Stratford Hotel, Philadelphia.

August 25-27, Montana agents, annual, East Glacier Lodge, Glacier Park.

August 28-30, Wyoming agents, annual, Wort Hotel, Jackson.

Sept. 6-8, Maine agents, annual, Samoset Hotel, Rockland.

Sept. 7-10, Alaska agents, annual, Mt. McKinley National Park.

Sept. 11-14, National Assn. of Mutual Insurance Companies, annual, Olympic Hotel, Seattle, Wash.

Sept. 12, Vermont agents, annual, Basin Harbor Club, Vergennes.

Sept. 12-13, Utah agents, annual, Hotel Utah, Salt Lake City.

Sept. 12-16, International Union of Marine Insurance, conference, Shoreham Hotel, Washington D. C.

Sept. 13-16, Mutual Loss Managers' Conference, Roosevelt Hotel, New Orleans.

Sept. 14-16, Michigan agents, annual, Pantlind Hotel, Grand Rapids.

Sept. 14-16, Society of Chartered Property & Casualty Underwriters, annual, Statler-Hilton Hotel, Detroit.

Sept. 15-16, Minnesota agents, annual, Pick-Nicollet Hotel, Minneapolis.

Sept. 18-20, New Hampshire agents, annual, Mount Washington Hotel, Bretton Woods.

Sept. 18-20, West Virginia Assn. of Mutual Insurance Agents, Jackson Hotel, Clarksburg.

Sept. 18-21, Idaho agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 19-20, Minnesota mutual agents, annual, Pick-Nicollet Hotel, Minneapolis.

Sept. 19-21, Washington agents, annual, Olympic Hotel, Seattle.

Sept. 21-23, Canadian Federation of Insurance Agents & Brokers Assns., annual, Mont Tremblant Lodge, Mont Tremblant, Quebec, Canada.

Sept. 21-23, Oregon agents, annual, Sheraton-Portland Hotel, Portland.

Sept. 21-23, Western Loss Assn., annual, Lake Lawn Lodge, Delavan, Wis.

Sept. 26, New Jersey agents, annual, Hotel Traymore, Atlantic City.

Sept. 26-28, National Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City, N. J.

Oct. 2-5, National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives, combined annual, The Greenbrier, White Sulphur Springs, W. Va.

Oct. 8-11, Kansas agents, annual, Broadview Hotel, Wichita.

Oct. 13-14, Conference of Mutual Casualty Companies, sales and agency meeting, Conrad Hilton Hotel, Chicago.

Oct. 14-15, North Dakota Agents, annual, Grand Pacific Hotel, Bismarck.

Oct. 16-18, Arizona Agents, annual, Pioneer Hotel, Tucson.

Oct. 16-18, Maryland agents, annual, Hotel Emerson, Baltimore.

Oct. 16-18, Ohio agents, annual, The Neil House, Columbus.

Oct. 17-19, Wisconsin agents, annual, Schroeder Hotel, Milwaukee.

Oct. 18-19, Massachusetts agents, annual, Sheraton Plaza Hotel, Boston.

Oct. 21-23, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 22-27, National Assn. of Mutual Insurance Agents, annual, Statler Hotel, Washington, D. C.

Oct. 23-25, Missouri agents, annual, Governor Hotel, Jefferson City.

Oct. 24, Rhode Island agents, annual, Sheraton-Biltmore Hotel, Providence.

Oct. 24-26, California agents, annual, Sheraton-Palace Hotel, San Francisco.

Oct. 26-28, Nebraska agents, annual, The Town House, Omaha.

Oct. 27, Connecticut agents, annual, Statler-Hilton Hotel, Hartford.

Oct. 27-28, Kansas State Assn. of Mutual Insurance Companies, Holiday Inn, Topeka.

Oct 27-29, New Mexico agents, annual, Western Skies Hotel, Albuquerque.

Oct. 30-Nov. 1, Illinois agents, annual, Pere Marquette Hotel, Peoria.

Oct 30-Nov. 1, Tennessee agents, annual, Andrew Jackson Hotel, Nashville.

Boston Names Downs N. E. Region Manager

Boston has appointed John W. Downs Jr. manager of the New England regional office. He joined the company in the fire underwriting department at Boston in 1946. He was named assistant to the chief fire underwriter at San Francisco in 1948, special agent at San Diego in 1950, and chief underwriter for the Pacific department at San Francisco in 1953. Subsequently he became regional manager at San Francisco.

Extensive Realignment By GAB In East, South

General Adjustment Bureau has appointed Edward J. Beglin general adjuster for New York State. Frank L. Keenan has been named to succeed Mr. Beglin as manager at Rochester, N.Y., and Robert L. Crumley has been named to succeed Mr. Keenan as manager at Peekskill, N.Y.

William J. Savage Jr., is appointed manager at New Haven, Conn., replacing E. G. Purdy, retired. James J. Boyrer succeeds Mr. Savage as manager at Norwich, Conn. Donald A. Cavanaugh is named manager at Bridgeport, succeeding Norman E. Brotherson, transferred to New Haven as senior adjuster.

Frederick Banks has been named manager at Lawrence, Mass., to succeed Alan F. Dunlop who is relinquishing managerial duties owing to ill health. Mr. Dunlop will be available to handle large fire losses in the area. David A. Rock succeeds Mr. Banks as manager at Rutland, Vt.

In Florida a new branch has been established at Key West, and L. H. Moore has been advanced from resident adjuster to adjuster in charge there. A branch has also been established at Bocoa and W. A. Rollins Jr., adjuster in charge, has been advanced to manager there.

A full branch has been established at Martinsville, Va., where H. J. Wyche Jr., resident adjuster, has been named manager.

Four Officer Appointments Made By Federal Mutual

Federal Mutual has given Chase M. Smith, secretary and general counsel, the additional office of senior vice-president and has appointed three other officers. They are Clifford A. Kiracofe, general attorney, and Edmund J. O'Brien and Roy C. McCullough, assistant general counsel.

Preferred Names Curlee Production Manager

Alfred T. Curlee has been appointed assistant vice-president and production manager of Preferred of Grand Rapids and vice-president of affiliated Southwestern Indemnity. He was with Royal-Globe for 10 years before joining Preferred as head of production planning.

Am. Manufacturers Mutual Assigns Bancroft At S.F.

Charles E. Bancroft, recently appointed assistant secretary, has been assigned by American Manufacturers Mutual to supervise west coast sales at San Francisco. He has been with Lumbermens Mutual of Mansfield in the field and as branch manager in northern California.

N. Y. Society School Prizes

Robert W. Baum Jr., Commercial Union-North British group, won the Anglo-American Fellowship award presented at the closing exercises of Insurance Society of New York school. He will leave in the fall for a tour of the London market.

The school's scholastic achievement award went to Carolyn Blaustein, Public Service Mutual, who has maintained an A average in every course she has taken at the school since 1956.

Savannah Assn. of Insurance Agents has elected John L. Nugent president, J. DeWitt Titus vice-president, and Robert F. Powers secretary-treasurer.

Holds 47 Days Is Proper Notice Under CPL

Insured delayed 47 days before notifying the insurer of an accident in which a child was injured. The appellate division of the New York supreme court affirmed a jury verdict in favor of insured. A comprehensive personal liability policy was involved. The case was Colontino vs U.S.F.&G., reported in CCH 10 (Fire & Casualty) 380.

A tenant in insured's building was visited by a mother and four-year-old child. The child fell down a stairway and landed on her head. She was rushed to the hospital. That night insured learned the child was home and was told she was all right. Notice of the accident was not filed until 47 days later when the parents of the child, accompanied by an attorney, told insured to notify his insurer. U.S.F.&G. declined to defend.

The question submitted to the jury was whether insured notified the insurer in accordance with the terms of the policy, which requires notice "as soon as practicable." The jury found for insured and the appeal court affirmed on a 3 to 2 vote.

Justices Ughetta and Nolan dissented. They held that, as the insurer contended, the notice was not as soon as practicable. They pointed out that several days before insured notified insurer the father of the injured child told insured the child was bad and that he was spending a lot of money on doctors.

John J. O'Connor and James M. Gilleran of New York appeared for the insurer; Finkelstein, Benton & Soll and Ester K. Benton, for insured.

Student Awards Follow Travelers Agents Class

The 85th multiple line class at Travelers' education center was comprised of 24 students from the U.S. and Canada. V. V. Roby, vice-president, announced awards at the final luncheon. Harry J. Webb of the Slagsvol-Minton agency, Eau Claire, Wis., was selected by the class as best insurance salesman.

Walter E. Deptula of the John P. Kreminski agency, Meriden, Conn., was named best all-around insurance man and achieved the highest examination grade.

Richard E. Saladana, Newcastle, Cal., was named best student; Bob J. Vassar of Midstates Co., Tulsa, the man who made most progress in the six weeks; and B. H. Lowry of Cronyn, Pocock & Robinson, London, Ont., "The man I would prefer to be my insurance agent."

Morehead, Cal. Rating Bureau Veteran, Retires

Preston T. Morehead, assistant secretary and manager at Los Angeles, has retired from California Inspection Rating Bureau. He will be succeeded by Dale E. Luther, who has been with the bureau since 1947.

Mr. Morehead joined the bureau in 1923 as a safety engineer at Los Angeles and became assistant secretary and manager there in 1955.

Four Agencies Merge In Mass.

Four agents in Greenfield, Mass.—Winthrop C. Packard, Robert C. Sawyer Jr., Charles F. Watters Jr., and Robert N. Bell—have merged to form the Packard, Sawyer, Watters & Bell agency.

In 1895, Mr. Packard's father, Charles F., bought the Franklin Ripley agency, established in 1819 as one of the early independent local agencies in the country. Winthrop C. Packard joined the agency in 1926.

Mr. Sawyer was with New Hampshire Fire before purchasing the J. F. Zappey agency in 1956. Mr. Watters bought the Lyman agency in 1955, the John P. Teahan agency in 1957, and the L. H. Crosier agency last year.

Jack E. Baldwin has been elected resident vice-president of Resolute at Philadelphia. He was at one time with National Assn. of Insurance Agents as secretary of the casualty committee. Subsequently he was with Providence Washington Indemnity and with Resolute at Hartford. The latter company, a financed auto insurer, also has a credit life affiliate.

American Southern Forms Life Insurer

American Southern Life, an affiliate of American Southern of Atlanta, has been organized with $200,000 capital and $200,000 surplus. Present plans are to write only credit life and A&S, including mortgage redemption coverage, in Georgia and Florida. Mills B. Lane, president Citizens & Southern National Bank of Atlanta, is chairman of both companies. Roy S. Thompson is president.

J. Henry Miller, vice-president and secretary of American Southern, is vice-president of the life company.

Esters M. Shiver is secretary. He was with the National Service Life division of Veterans Administration before joining the Georgia department in 1950. In 1957 he went with the Mississippi insurance commission. Last September he became assistant secretary of American Southern and subsequently vice-president.

Roscoe Womack, vice-president of American Southern in charge of the loss department, is treasurer of the life company. Howard Ragsdale and Lester H. Slaton are assistant secretaries. Mr. Ragsdale was with Hartford Accident 1948-1951 and with Brewer Adjusting Co. till 1959, when he joined American Southern. Mr. Slaton joined the company in 1958 as loss examiner.

Mrs. Betty Hayes, assistant treasurer of the life company, has been with the parent company since 1956 as a secretary and as assistant manager of the IBM department.

Resolute Promotes Four

Resolute has elected Lewis Armao and Howard W. Cox vice-presidents, and has promoted Henry D. Ordway to corporate secretary and Robert E. Bradley to assistant secretary of Resolute group.

Mr. Armao will be in charge of all underwriting operations. He was with Service Fire as underwriting manager before joining Resolute in 1953 as head of the underwriting departments. Mr. Cox, who will have charge of all claims and subrogation operations, joined Resolute in 1959 from Service Fire where he had been claims manager and officer in charge at Boston.

Mr. Ordway, in addition to his duties as corporate secretary, will have charge of Resolute's agency departments. He was in the general agency field for six years before joining Resolute in 1952. He was advanced to agency supervisor in 1956, and to assistant secretary in 1957. Mr. Bradley, who will be in charge of personnel, joined Resolute as credit manager last January.

In Travelers Toronto Post

Travelers has appointed William R. Gore assistant superintendent of agencies for all lines expect group in Canada, at Toronto.

He joined Travelers in 1952 as field supervisor at Toronto, and was subsequently transferred to Winnipeg as manager of casualty and fire lines there.

Schumacher Succeeds Gore In Hull Syndicate

Allen E. Schumacher has been advanced to claims manager of American Hull Insurance Syndicate to succeed Samuel Gore, who has retired.

Mr. Schumacher was an average adjuster with Cosgrove & Co. in San Francisco before joining the syndicate in 1955 at New York. He was named deputy manager of the claims department in 1958.

Mr. Gore has spent 44 years in the marine claims field. He was an average adjuster for 29 years, first with Johnson & Higgins and later with Frank B. Hall, New York brokers. He joined the syndicate in 1944 and was named claims manager in 1949. He was an instructor at Insurance Society of New York school.

Joseph M. Gallagher has been named an associate of the firm of Hufty, Eubank & Russell, Washington, D. C., international brokers. He has been an officer of Capitol Insurance Underwriters, which recently merged with Hufty, Eubank & Russell.

1960 Argus A&S Chart Is Published

(CONTINUED FROM PAGE 7)

ing results, analyses of individual and group business, all compiled from reports to state insurance departments and special reports from the companies.

The Argus A&S Chart shows a detailed and extensive report for five years for most of 285 larger companies that produced 94% of the A&S business exclusive of the non-profit hospitalization and medical-surgical companies. The annual statement portion of the report is divided into a financial and operating report covering the company as a whole, an A&S report giving the breakdown of individual and total business for premiums written, premiums earned, claims incurred, and expenses incurred including claims expenses with the resulting loss and expense ratios. Also shown are the premiums earned, claims incurred, and the loss ratio for each of the individual classifications of accident only, A&S, non-can A&S, and hospital and medical. Group is given separate treatment showing premiums earned, dividends to policyholders, premiums less dividends, claims incurred, expenses incurred including claim expense, ratio of claims incurred to premiums earned after dividends, ratio of expenses incurred to premiums written after dividends, the combined loss and expense ratio, and gain from underwriting after dividends to policyholders. Miscellaneous data include the list of states and countries in which the companies operate, kinds of contracts issued, brokerage practices, number of branches, general agents and agents, type of company, when formed and when it started writing A&S, and whether the company is a member of Health Insurance Assn.

Briefer two year exhibits are shown for 519 additional companies. These exhibits include assets, capital, surplus, premiums written and earned, claims incurred, and expenses incurred. In a special section, information is given for 83 Blue Cross plans, 73 Blue Shield plans and 32 other hospitalization, dental, and medical-surgical insurers.

The chart's opening pages contain explanatory notes and definitions of the financial statement items shown in the statistical sections. Each item is defined and each definition carries a specific reference to the page and line number of the official annual statement blank for each type of company.

The Argus A&S Chart, like its companions, the Argus Fire Chart and the Argus Casualty & Surety Chart, published a few weeks ago, sells singly for $2.50 per copy and less in quantity. It is now being delivered from the reference book department of the National Underwriter Company, 420 East Fourth Street, Cincinnati, and may also be obtained from any of its branch offices.

National Board Veterans Krausse, Lehnhardt Retire

Flora A. Krausse, secretary to the chief engineer, and Albert A. Lehnhardt, administrative assistant to the head of the actuarial bureau, have retired from National Board.

Miss Krausse had been with the board for more than 38 years and served as secretary to three chief engineers, George W. Booth, John A. Neale, and Everett W. Fowler. She was feted at a luncheon given by 40 associates in the engineering department and was presented with a gift and signed scroll by Harry L. Doty, retired chief draftsman of the board.

Mr. Lehnhardt entered the business with Phoenix of London group and joined National Board in 1915 with the loss information service.

Southern Cal.-Ariz. Fire Engineers Elect Sherman

O. C. Sherman, Pacific Fire Rating Bureau, has been elected president of Southern California-Arizona chapter of Society of Fire Protection Engineers. He succeeds Fred A. Trask, Oil Insurance Assn.

Other new officers are W. S. Jacobson, North American Aviation, and J. L. Carlson, Oil Insurance Assn., vice-presidents, and Ray M. Hill, Los Angeles fire department, secretary-treasurer.

The program included a film on the X-15 rocket plane of North American Aviation.

New Fort Wayne Board Elects

James Feasel has been elected president of the new Fort Wayne Insurance Board. Robert J. Belot and Charles Colligan are vice-presidents, Dale E. Amstutz is treasurer, and Richard Boerger is secretary.

Insurance Women of Butte, Mont., have elected Coline Roesti president; Isma Speher vice-president, Mildred Gillstrom corresponding secretary, Dorothy Butala recording secretary; Barbara Kautzman treasurer, and Margaret Corbitt auditor.

Mutual Bureau has introduced its package automobile policy in the District of Columbia.

Six Appointments Made By State Auto Mutual

State Automobile Mutual has promoted George L. Reichert to vice-president, Earl S. Duvall to assistant vice-president of claims, and Loren E. Stephens to assistant vice-president of underwriting.

In addition, David T. Ullman has been appointed assistant comptroller, Patrick L. Irish internal auditor and Benson H. Baker advertising manager.

Mr. Reichert has been with the company 12 years as comptroller and in 1956 became assistant treasurer and a director. In the claims department 35 years, Mr. Duvall became claims field director in 1958. Mr. Stephens, underwriting supervisor of the general liability division, joined the company in 1929.

Mr. Ullman has been with State Auto 17 years and Mr. Irish since 1949, holding various positions in the cashier, agency accounting and auditing departments. Mr. Baker has been in charge of public relations since 1950 and wil' continue with that assignment.

Coles Elected MLG By South Texas Ganders

South Texas pond of Blue Goose, at the annual splash at Houston, elected W. O. Coles, General Adjustment Bureau, most loyal gander to succeed Harold P. Cabness, Trinity Universal. Other officers are T. W. Brooks, Fireman's Fund, supervisor; Richard J. Bragdon of Langham, Langston, Burnett & Dyer, custodian; W. A. Nabors, Travelers, guardian; Roscoe H. Baugh, Bettes general agency, keeper; and Jack R. Martin, Hartford Fire, wielder.

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Assign Sluder To Arizona

Grain Dealers Mutual has assigned Thomas C. Sluder to Phoenix as special agent for Arizona. With the company six years, he was head of the inland marine department.

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San Francisco Brokers Elect

Society of Insurance Brokers of San Francisco has elected Henry Doble, Alexander & Alexander, president; Edwin M. Farrell, Kindler, Laucci & Day, 1st vice-president, and Bert Levison Jr., Levison Bros., 2nd vice-president.

Harry W. Healey, Marsh & McLennan-Cosgrove & Co., is the outgoing president.

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D. C. Power, chairman General Telephone & Electronics, has been named a director of American Manufacturers Mutual and a member of the eastern advisory board of Lumbermens Mutual Casualty.

N. J. UJF Pays Out $1.5 Million In 1959

(CONTINUED FROM PAGE 10)

fund. They were closed because claimants were not qualified to collect from the fund inasmuch as the defendant was insured, not at fault, or financially responsible; or the claimant was not insured, his damages did not exceed the deductible, or he did not press his claim against the uninsured defendant.

The number of claims paid and the amount for each year beginning with the part year of 1955 were: 28 for $16,126, 244 for $295,078, 725 for $1,161,774, 773 for $1,097,214, and 1,099 for $1,551,551. Total was $4,603,356. The number of claims closed without payment were 331, 976, 1,662, 1,404, and 3,453. The amounts determined by judgment were $8,189, $225,767, $916,603, $822,049 and $806,432; and the amounts by settlement, $7,936, $69,311, $245,170, $275,165 and $745,119.

The fund had an uncommitted surplus of $373,967 as of March 31.

Insurers have paid these amounts by year since 1955: $494,766, $527,447, $538,261, $567,517, $95,561, and $661,962, for a total of $2,885,517.

Income from motorist fees has been $2,745,460, $1,461,722, $1,311,648, $621,094 and $1,020,885, for a total of $7,160,809.

Legal and related administrative expense has run $27,868, $55,934, $65,301, $95,565, $99,452, and $71,867, for a total of $416,039.

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Pass Driver Registry Bill

WASHINGTON—The House has passed a bill to provide for a register in the Department of Commerce for listing the names of persons who have had their motor vehicle operator's license revoked.

Case of New Jersey and several other Senators are pushing vigorously for passage of the measure in the Senate.

The register would contain the names of those whose licenses have been revoked for driving while intoxicated and for conviction of a traffic violation involving loss of life. This information would be available to the states upon request.

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More Work On Insurance Words

The executive committee of American Assn. of University Teachers of Insurance has voted to activate three more subcommittees of its commission on insurance terminology—life, property, and general. Together with the two subcommittees previously activated (health and pension), five committees will be working on standardizing insurance terminology.

Pressures Causing Adjuster Dilemma

(CONTINUED FROM PAGE 6)

cation and training of both field and office personnel.

He ascribed the laxity in acquiring and training qualified adjustment personnel to the manpower shortage of World War II. As a good example of the blind leading the blind, he said that many of the men who went into loss adjusting in the early 40s were not suited to it, and to the detriment of the industry, it is these men who are training and molding many of the present-day younger adjusters.

The semi-abdication of company control over loss assignments generated an indifference and looseness in the field which encouraged larceny, he said, emphasizing that this larceny by adjusters and agents was in the same small percentage as that which seems to be present in every stratum of society.

In an age of intense specialization, the insurance adjuster has taken just the opposite course. Multiple line underwriting has fostered multiple line adjusting and many adjusters who obviously know a little about a few things suddenly act as if they know all about everything, he said.

Incapability To Adjust

There seems to be an incapability to "adjust" losses, Mr. Lusk observed. There are presently two schools of claim handling, the "early settlers" with their "fix-it-and-send-me-the-bill" philosophy vs the true "adjusters." Many adjusters are complete strangers to the rudiments of construction and building costs, and they mask their ignorance in the "fix-it" technique.

It is only natural that an adjuster's loyalties become diffused as a consequence of agency dictation on loss assignments. His very business, family's financial security, and children's education may well ride upon his willingness to compromise his morals. A man of competence and integrity may well become cynical when he sees quality performance "crucified by loss of business and careless, slipshod, unethical practices praised." Pride and loyalty, Mr. Lusk said, "take an awful beating when spurious activities develop the most prosperous offices, country club memberships and expensive entertaining."

Mr. Lusk opined that much of the laxity and looseness is "directly chargeable to an unjustified over-emphasis on speed in loss adjusting as fostered by some companies." When adjusters are constantly "rawhided" to speed, it is only natural that many important adjusting procedures fall by the wayside.

Trend Can Be Changed

The trend can be changed, he said, and must be or else "we will inevitably price—or pay—ourselves out of the market."

Mr. Lusk described the efforts being exerted to reverse the trend. This included a booklet published by Mutual Loss Research Bureau entitled "Procedures and Standards on Property Loss Adjustments," and another by Fire Insurers Loss Adjustment Committee in cooperation with Pacific Coast Fire Loss Assn. and the National Board called "Acceptable Loss Adjustment Practices." He also noted the educational program of National Assn. of Independent Adjusters, company activity in training and supervising adjusters, and the educational project of General Adjustment Bureau to establish the designation of "Professional Insurance Adjuster." "It will require between 10 and 15 years," he said, "but it is extremely meritorious and the only full scale program presently in existence."

Mutuals Revise Rates

Mutual Bureau has increased BI rates for manufacturers and contractors liability 2.5% in Mississippi, 4.8% in North Carolina, 6.2% in Oregon, 9.4% in Pennsylvania, 2% in Tennessee, and .4% in Washington. It has lowered these rates 20% in Nebraska, 10.1% in Ohio, and 6.2% in Rhode Island. PDL rates for M&C also are being revised in these and other states, in a program which will result in a rate level increase countrywide of 8.9%.

OL&T rates have been increased 30% and storekeeper's liability rates 34.2% in New Jersey.

Glass territorial multipliers are increased 7.1% in New York state and the premium discount plan for this line has been withdrawn.

The foregoing changes were effective June 29.

Hawkeye-Security Agents Meet

About 200 Iowa agents of Hawkeye-Security attended a series of regional meetings at Atlantic, Storm Lake, Waterloo and Ottumwa. Discussion covered competition in the auto field, new rate reductions in the state, the automation program, the new motel package policy, the favorable competitive position of the company's agents, the low-cost auto program and other features offered by the group.

Aetna Casualty Names Caldwell At Atlanta

Aetna Casualty has named J. I. Caldwell manager of the southern department fire division at Atlanta to replace Marion N. Watson, resigned.

Mr. Caldwell joined the company in 1925 as an underwriter at Atlanta. After experience in the Georgia and Mississippi fields, he returned to Atlanta in 1950 as executive special agent. He became agency superintendent in 1954 and assistant manager in 1958.

Johnson To California

Glenn M. Johnson has been appointed special agent at San Diego for Citizens and New York Underwriters. He succeeds Robert Shotwell, who has resigned.

Cites NAMIA Efforts To Act With Companies

The efforts of an agents' association should be directed toward maintaining strong communications between members and companies. John Keyser, Kalamazoo, president of National Assn. of Mutual Insurance Agents, declared. He spoke at the annual meeting of Carolinas Assn. of Mutual Agents at Myrtle Beach, S. C.

Mr. Keyser pointed out that NAMIA's 1959 cost study, was made available to all mutual company presidents. It was designed to reveal factual data on the minimum cost of running an agency. The survey was valuable to companies in considering the commission problem, Mr. Keyser observed.

Other Examples

He also commented on NAMIA's study of the effect of automation on agents and their relationship with their companies, and on present attempts to seek a better solution to the youthful driver problem. These two projects are joint company-agent efforts.

The cooperation offered by NAMIA to mutual agency companies is its answer to those who fear that these troublesome times will unduly strain the relationship between companies and agents, Mr. Keyser declared.

NAMIA has not closed its eyes to the problem of commission reductions and is concerned about the ultimate effect on the recent homeowners filings, but it agrees that the demands of the public will ultimately determine commissions. It is up to agents to prove the value of services so that companies and the public will pay a respectable price, Mr. Keyser concluded.

International Society Proposed By Teachers

An International Society of Insurance is being proposed by a special committee of American Assn. of University Teachers of Insurance under the chairmanship of Davis W. Gregg, president of American College. A mail survey of interest in participation in such an organization is now being conducted by the committee.

The proposed society, according to the committee, would be aimed at furthering insurance science, research, literature, and education. "It would open avenues of communication permitting the exchange of ideas among insurance educators."

Health Terminology Unit To Meet

A meeting of the committee on health insurance terminology has been called for July 20 in New York by Chairman E. J. Faulkner, president Woodmen A. & L. The primary purpose of the meeting will be to consider definitions of "health insurance," the term the committee has already adopted as the generic name of the field, and certain subdivisions of "health insurance" such as accident, sickness, medical care, etc.

The committee is a subdivision of the commission on insurance terminology, established by American Assn. of University Teachers of Insurance and headed by Davis W. Gregg, president of American College.

Leslie Memorandum Defends Bureau's Safe Driver Plan

(CONTINUED FROM PAGE 1)

he was seeking to answer "misconceptions" about the plan. In summary, he said:

1. The plan is not a "merit rating" plan in the sense of experience rating plans applicable to workmen's compensation, auto fleets, etc., but a classification plan. It does not retroactively reward anyone for anything.

2. The plan is a logical improvement and extension of the present classification plan and is based on objective and measurable standards. It embodies the conclusions that accident and conviction records are objective and measurable facts and are indicative of accident proneness, that where a car is operated by persons with clear records, it is less likely to be involved in a future accident and should pay a lower rate, and that a system of classification rating based on these principles is a sound system.

3. The plan does not mean rate cutting, the start of a rate war, or the "end of small companies."

4. The plans are not "out of balance" in the sense that most insurers will not write enough point business to be able to offset the credits. If the category rates are correct (and they are believed to be conservative), a company could write nothing but clean class O business and make a profit, and so also with the higher rated point classes. It is fallacious to suppose that the plan should be or is set up to overcharge point business in order to create a kitty from which the clean business discount will be met.

5. It is said companies will not write point business. The plan does not eliminate the necessity of some prudent underwriting or examining. There will be unacceptable class O business (where there are indications of moral hazard, for instance); and on the same kinds of considerations there will be unacceptable point business.

No Assigned Risk Increase

6. The complaint that the safe driver plan will build up the assigned risk plan has not proved to be true. In California the growth of the assigned risk plan took place before the safe driver plan went into effect. In the long run, the plan should serve to cut down somewhat on the assigned risk plan population and, in any event, has not increased its size.

7. Moving traffic violations are a sure symptom of accident proneness and accident proneness is required to be recognized in any fair system of rating automobile insurance. Therefore to say, as has been said in a few states, that increasing a man's insurance rate because of moving traffic violation convictions creates "double jeopardy" or is "usurping the judicial function" is not so.

8. The comment that there are increases in "not guilty" pleas and increased attempts at bribing police officers is answered by the fact that the consequences of traffic offenses under license suspension point systems are already so great in states with up-to-date traffic safety and enforcement programs that it is apparent that substantial justice is being dispensed in the courts. In California no "court crowding" occurred following introduction of the plan.

9. The question of administrative expenses under the plan causes some concern. But it would be false economy

to fail to use, on a risk by risk basis, all the things necessary to operate a proper class system.

Mr. Leslie compared the plan with the underwriting recognition of the difference between frame and brick construction in residences. Frame houses burn more often and more completely. This difference exists whether or not the houses are insured against loss by fire. Suppose this fact were ignored in underwriting and there were flat rates made from the experience of frame and brick construction combined. Owners of brick houses built at extra effort and cost will resent paying the same rate as owners of frame dwellings. Underwriters, recognizing the greater profit in brick dwellings, will try to get as many brick houses and take as few frame ones as possible. Some underwriter will restrict his writings entirely to brick, file an independent rate below tariff, and take five pages in Reader's Digest proclaiming that he aims to insure safe householders only—at a preferred rate, of course. His success will spur others to do the same thing. They will skim off so much brick dwelling business the market will be tight for frame. The flat rates will become inadequate for frame, so rates go up, compounding the difficulty of a competitive disadvantage.

There should be two classes, frame and brick, each with its proper rate. Attempts to create unrealistic uniformity are certain to meet defeat, Mr. Leslie wrote, simply because there are measurable objective differences in the two subjects of insurance.

Urges Proper Classification

Thus proper classification systems are a necessary part of every kind of insurance undertaking. They are a necessary part of automobile insurance. The safe driver plan is a logical improvement and extension of the present classification plan and is based on objective and measurable standards.

It is incontrovertible that motorists who have had accidents and convictions for moving traffic violations are more likely to be involved in future automobile accidents than those who have not. Therefore such a condition is an objective fact when related to insurance. A motorist's past accident record can be built up from notices to the insurer or from state motor vehicle department records or both, and in many states quite complete conviction records are readily available. In other states where complete conviction records do not exist or are inaccessable, financial responsibility filings make up a record of serious law infractions. Therefore such a record is measurable when related to insurance rating.

While accident record alone can measure some of the probable difference in future accident involvement, adding the conviction record improves the measurement considerably and therefore improves the classification system. If convictions were left out some knowing underwriters would use them (or continue to use them) once again to skim off the cream.

Mr. Leslie noted that the relatively few complaints about the safe driver plan have tended to come "from those who successfully beat the less refined systems."

Questions "Rate War"

As to the charge that the plan is the start of a rate war, he asked: "Does setting a proper rate for brick dwellings constitute a rate war?" Safe drivers are entitled to lower rates. Companies are on perfectly sound ground to write safe drivers at a substantially lower price than those who have accident and conviction records.

So long as the classification system is sound, he went on, the rate differences it generates are sound "and small companies will prosper thereunder to just as great an extent as large companies." The rate differentials in the plan are conservative, he stated. But even if they were not, the mere fact of company size would not be involved. A small company writing $1 of premium for $1 of surplus could weather an error in the plan's rates (or those in any other plan) better than a company 100 times as large writing $4 to $6 of premium per $1 of surplus.

As to companies not writing point business when it is offered, Mr. Leslie

said that what has happened in some measure is this: When a producer or prospect finds that points are involved, the attempt is first to place the business with an insurer not using the plan. Some of this business is acceptable to such insurers at the old average rates. When not acceptable there, it is taken to a company with the plan. Thus some point business has been culled over and what remains has a higher proportion of risks with moral hazards and other unsatisfactory characteristics "having no relation to the point system under the plan."

Even so, he stated, bureau companies are writing point business. In California a typical company is running 61% cars with clean records, 39% cars with points. This is close to the theoretical distribution in the state.

Expense Causes Concern

Administrative expense under the plan causes some concern, Mr. Leslie wrote. Where the fee for supplying state records is inordinately high, companies have assumed they do not exist. Where the fee is reasonable—it is 25 cents in California—it is safe to estimate that the companies already were spending for underwriting reports about the amounts necessary to get the motor vehicle records for the safe driver plan.

Tells Costs

Also, he added, the administrative cost for auto liability today is less than six cents per $1 of premium and covers other than rating costs such as writing, record keeping, and underwriting. Perhaps as much as four cents of the six is devoted to these other functions. In that case a 25% increase in costs would equal one cent per $1 of premium.

It would be false economy to fail to use, risk by risk, all the things necessary to operate a proper class system, Mr. Leslie believes. Such failure would open the way again for the underwriter who does look into such things to take the better class of risk and cause other underwriters to suffer serious deterioration of their book and substantial underwriting loss.

Mr. Leslie concluded his analysis of the plan by pointing out that the price differential based on selectivity is only one reason for bureau companies' "competitive posture" in past years. The entering wedge and still an important factor was price difference due to lower marketing expense. The ultimate double barreled effect has caused bureau companies to lose all but 10 to 15% of the private passenger cars in many states. These same two forces have meant a 10 to 15 point difference in loss ratio between bureau and deviating or dividend paying companies in states where the experience of non-bureau and bureau companies is used in combination to determine rate level.

The special auto policy, which included the safe driver plan as an integral part of its rating system, is the bureau answer to its double barreled problem. In most states where the special policy has been introduced, the safe driver plan by itself is additionally available on the existing family policy.

"Time and marketing effort ultimately will tell which of these programs the public picks. But in each case a proper and refined system of classification is vital to success."

New Edition Of Agency Manual

A second edition of "Step By Step," an office manual for agencies, has been published by the Rough Notes Co. of Indianapolis. The first edition sold more than 20,000 copies.

In the new edition there are four new chapters—premium financing, machine accounting, flat cancellations and direct billing. These bring the book up to date.

R. J. Layton is the author of "Step By Step." He is known as an authority on agency management and has lectured on this subject at more than 100 schools and before nearly every member association of NAIA. The book may be obtained from the Rough Notes Co. at 1142 North Meridian Street, Indianapolis. Price is $3 a copy.

Sanborn Publishes New Underwriting Report

Sanborn Map Co. has published report three in its series "A Guide to Sound Fire Insurance Underwriting." The latest report was prepared by a leading fire group and presents the underwriting policy that has enabled it to remain among top volume leaders while maintaining one of the lowest loss ratios.

The material in the report was originally presented to the field men of the company whose operating practices are described. The discussion covers gross lines, reinsurance and field inspections, with heavy emphasis on the latter. The value of such inspections is seen as a supplement to and not a substitute for map data.

Practical examples of underwriting practices are provided in the report in terms of modern conditions. Copies are available in reasonable quantities without charge from Sanborn offices at 85 John Street, New York; 629 Fifth Avenue, Pelham, N.Y.; 220 South State Street, Chicago, or 530 Washington Street, San Francisco. A limited number of reports one and two are also available.

Local Texas Associations Elect

Two local associations of Texas Assn. of Insurance Agents report elections. Brownsville—James Baytes, president; V. Lee Mitchell, vice-president and Howard Miller, secretary. Gonzales—Irving S. Forgotston, president; A. L. Thomas, vice-president, and Freeman Lewis, secretary.

Financial Indemnity has appointed Allan Sellers home office underwriting manager.

I.I.I. Has Parley On Pacific Coast

SAN FRANCISCO—The first western public relations conference of presidents and public relations chairmen of field clubs under the banner of the Insurance Information Institute was rated "high" or "higher than average" by most of the 31 field men in

Myles W. Smith (left), Pacific Coast regional director of I.I.I., with J. Carroll Bateman, general manager, and Paul Cullen, Aetna Casualty, vice-president of I.I.I., at the western public relations conference.

anonymous questionnaires turned in at the conclusion of the two-day meeting here.

Reports of the 14 field groups from eight states revealed that during the past year these organizations provided 206 speakers, showed films 355 times and finished or are conducting five educational programs for agents.

Paul B. Cullen, Aetna Casualty, vice-president of I.I.I., told the conference that I.I.I. "is not set up to tell you how to run your field organizations, but because of the more or less localized nature of your groups, you can carry the public relations program of the capital stock industry to the agents and into the cities and towns where public opinion begins. It is the function of I.I.I. to provide the tools to carry on this work, as well as aid in planning your public relations activities."

J. Carroll Bateman, general manager of I.I.I., told the conference that he would like to see each field club with a well organized speakers bureau that will be able to utilize fully the material available on the property and casualty insurance business.

Myles W. Smith, I.I.I. regional director on the Pacific Coast, reported that a functioning speakers bureau is now operating in Washington, in addition to the California bureau, and definite plans have been laid for the establishment of similar groups in Utah and Arizona. He said he will be in communication with several of the field clubs before the summer is over regarding speaking seminars at colleges or universities to provide speakers an opportunity to "brush up" on presentation techniques.

W. Victor Slevin, Pacific Coast manager of the National Board, told the field men how to go about developing a catastrophe plan. Other speakers were Weldon F. Williams, National Board, on "Insurance and Politics," and John J. Savage, Pacific Coast manager National Bureau, on "Insurance Rates Must Be Understood."

Horan To Retire From America Fore Loyalty

William J. Horan, secretary of Loyalty companies in the western department headquarters of America Fore Loyalty group at Chicago, will retire Aug. 1, after 47 years in the business, 31 with Loyalty.

He entered insurance in 1913 in the loss department of Springfield F.&M. and subsequently was with National Liberty, Western Adjustment, Northern of London and Transcontinental before joining Loyalty group in 1929 as assistant superintendent in the western loss department.

He was named superintendent in 1940, assistant secretary in 1941 and secretary in 1950.

Mr. Horan is a past president of Western Loss Assn.

Rusco Retires In Illinois

John J. Rusco, Illinois state agent for Aetna Fire, is retiring. He has been with the company 43 years. State Agent R. E. Trebing will assume Mr. Rusco's territory.

South Bend-Mishawaka (Ind.) Assn. of Insurance Women elected Mrs. Felix E. Esarey, president; Mrs. Casimir A. Budzinski, executive board member; Miss Arlene M. Geabler, vice-president; Mrs. Julia L. Boxler, secretary, and Miss Mary Louise Wolf, treasurer.

Insurors of Memphis elected A. Britt Acred as president, George R. Holley, vice-president, and Sid Stewart, secretary-treasurer. J. Ross Reed of Greenville, president of Insurors of Tennessee, installed the officers at a luncheon meeting.

Fine Points Of Pet Damage Are Aired

(CONTINUED FROM PAGE 2)

of time if the spots had not been seen they at least should have been recognized by other sensory perception.

"A review of the search books to the law reveals no cases in point. Either there never was a poodle as prolific as Andre or, before such insurance, people caught them, put their nose in it and threw them outside. Thus, we have a case of first impression. The testimony is that Andre met his demise, by truck, some few weeks after his propensities were discovered and he, therefore, can never be made aware of his place in history. . . . The unprecedented problem requires some decision, for the law, right or wrong, must conclude litigation. I would conclude this episode in the following manner:

"For one or two occasions of Andre's imprudence we might expect the plaintiff (insurer) to be liable, even though it is stretching the credulity of any sage of the law to put permission and right upon liability where a person gives a canine pet the right to perambulate and pounce unrestrained throughout the house. Such privileges, even to a poodle, seem more the part of valor than of wisdom, especially where the play pen is a $7,500 rug and expensive furniture and drapes.

"The law always allows each dog its first bite, for then the owner is put on notice of its dangerous tendencies. I would even go one or two better in incidents such as this and would have allowed recovery for two or three incidents. This would give the insured some opportunity, through sight or smell, to discover the occurrence, prevent its repetition and make claim for that which seems a fortuitous circumstance or event. But, to allow for such prolific indiscretions, ad infinitum, is beyond credulity and borders onto wanton recklessness and disregard for which a person should not be rewarded.

"While Andre might not be expected to know the terms and conditions of plaintiff's policy, it seems most fantastic that defendant should be able to contend that Andre's indiscretion was fortuitous. In the law 'fortuitous' means 'by chance' and 'by accident.' It seems to me that it is just 'by accident' that Andre didn't do what he did much before the alleged occurrence, and, if 'by chance' he didn't, it was just too much, and too often, to require plaintiff (Aetna) to pay for it.

"One cannot stand by and see damage being done, allow it to be done and then collect for the total loss. In other words, one cannot be present and see a fire when it first originates and at a time when something could be done to extinguish it, and then go off and allow the damage to be done and attempt to collect for the total damage. Such conduct constitutes culpable negligence and precludes a recovery."

Judge Weber then cited other decisions dealing with reckless and inexcusable negligence, etc., to defend his view, adding:

"In the case at bar, defendant (Sachs), allowed and permitted the damage to become so extensive that he is now claiming a total loss, whereas, plaintiff, (Aetna), if liable at all, should have been exposed to only a small minimal loss.

"I would say that defendant, because of such gross negligence and indiscretion in permitting Andre to roam the house at will, hoisting his leg at random, probably yipping and yiping in his canine Utopia, should not be allowed to recover. Certainly, a dog can be controlled by his master, and while a master cannot expect perfection from a dog, even a poodle, he should be ever aware to keep him from expensive parts of the house. . . . So, in the eastern district of Missouri, while we love our dogs, let it be the law that we don't collect for so many puddles made by poodles, even under the floater provisions of a policy with maritime law as precedent. It is this court's conclusion that a judgment should be entered declaring that the plaintiff is not liable under the terms and provisions of its policy of insurance for the damage caused to the carpeting in question under the circumstances proven and existing in this case."

National Board Names Harris To New Post

National Board has appointed James M. Harris Jr. special assistant to the general adjuster. He will study loss adjustment practices in the field and will assist in the operation of catastrophe loss supervisory offices when established.

Mr. Harris was an FBI special agent from 1941 until 1952 when he joined National Board and became special agent and supervisor in the arson department. He was named to handle special loss adjustment investigations in 1958.

Policyholder Relations Programs Are Surveyed

(CONTINUED FROM PAGE 5)

tending branch office facilities and establishing agency offices in new locations having exceptionally favorable insurance sales potential.

It is sometimes said that an insurance company does not become a human institution to its policyholders until a loss occurs. To serve policyholders promptly and efficiently, no matter where they may be, Travelers has established in the United States, Canada and Puerto Rico, 277 claim service locations; of the more than 19,000 employes, 4,213 devote their entire time to claim service. During 1959 the number of claims presented reached a new high of 3,194,731, an average of 12,678 each working day.

STATE FARM MUTUAL

Although policyholder relations is one of the concerns of our public relations department, we don't have a formal policyholder relations function as such.

A few examples of policyholder relations material put out by the company are as follows:

The Welcome Careful Driver handbook goes with the auto policy, and is designed as a handy guide to the policy.

The State Farm Reporters go with the premium notices every six months. Whenever there is a rate change or other special program which needs explanation on the state-by-state basis, special Reporter supplements are inserted along with the general Reporters. The homeowners edition replaced the general edition in several states during one six-month cycle. The special inserts can be used with or without the general Reporter. They have their own six-month cycles and yet retain their identity with the Reporter.

This publication is currently being used as a premium notice insert by our life and fire companies as well as the auto company. Consequently, its circulation is well over six million. We are working on a separate publication for use by the fire company, but have nothing to show on that yet.

The double post card goes to every policyholder who reports a claim, after the claim has been settled. (Over 98% of those responding to this continuing survey report complete satisfaction with the way their claims were handled. Some folks are inspired to thank us by letter, because the card, they say, is inadequate.)

The expiration notice is self-explanatory. This is one of three versions—the others are similar, and are necessitated by various state regulations.

A great deal more in the way of pamphlets and hand-outs are made available to agents by the agency sales promotion department—more than could possibly be itemized here.

While we don't have a formal policyholder relations department or program as such, our former director of public relations, Robert Bischoff, has for almost a year been in a special customer relations study post in California. He is taking a turn at every phase of State Farm's field operation—agency, claims, and regional office jobs The post was created to give an experienced public relations man practical knowledge in operating problems with the possible goal of establishing a company-wide customer relation.

That this is an unavoidable field of concern for us has been made clear by President Rust.

"The future of any business depends upon what the public thinks of it and its practices," he has said. "This is especially true of the insurance business, where relationships with customers are so personal and chances for misunderstanding so great. We are approaching the time when attitudes of our customers must become the full-time concern of some of our operating people."

STATE MUTUAL LIFE

Naturally, we feel that careful attention to the field of policyholder relations is essential in our business. It is certainly a field that has been largely overlooked in the past, both in this company and in other large companies. The problem is made doubly difficult by the industry-wide turnover of new agents. Many policyholders, especially in the lower middle class income group, do not readily identify themselves with one particular agent or one company.

Currently, State Mutual has three important activities that may be classified primarily as policyholder relations projects. The first is the publication and distribution of our annual report each year. The second is our series of regional policyholder conferences which were initiated in 1958. The third is a new project which we are starting this year, an audit of the effectiveness of our services to policyholders. I shall comment briefly upon these.

For the past several years we have published a single large annual report for the company. This has usually included some 32 or 36 pages. By means of a reply card inserted with premium notices, all policyholders have been given an opportunity to order a copy of this report.

The apparent interest and response from policyholders has been increasing each year. Generally, more than one-half of the reports are mailed directly to policyholders in response to their requests. The balance are used by our various field offices. We are considering the advisability next year of publishing an abbreviated report that would be suitable for blanket mailing to all policyholders. We have made no decision on this question, however, because we are not yet geared to eliminate duplicate reports going to a single policyholder who has several policies.

Our regional policyholder conference series was designed as a dramatic method of bringing the company to the policyholders in areas far distant from the home office. In this respect it is similar to large corporations which hold their annual meetings in different locations each year. It is not to be confused with our annual meeting.

Regional Conferences Held

So far we have held two conferences—one in Memphis late in 1958 the other in Chicago in 1959 We are planning a third conference which will probably be held someplace in the midwest later this fall. The date and location has not yet been settled.

We invite all our policyholders within a given geographic radius of the location of the conferences to attend. The conference program consists of a luncheon, a brief report by the president, and a question and answer period during which a representative panel of policyholders directs actual questions from policyholders to a panel of company executives.

Va. Agents Hold Successful Annual

(CONTINUED FROM PAGE 1)

counsel.

The Winchester association won the B. P. Carter cup for its program and achievements as a local board the past year. J. V. Arthur Jr., vice-president of the board, accepted the trophy.

Robert E. Taylor of Annandale won two awards, the Stock Fire Field Club trophy for outstanding work in public relations, and the Maryland Casualty plaque for his work as chairman of the agents' association's PR and advertising committee.

Mr. Jones in his talk said that much of the present difficulty the agency system is having in catching up with competition has resulted from lack of fundamental research into what the public needs and wants, complicated by deterioration in communications between the technical-executive personnel of companies and their agents. The latter are the only ones in regular contact with the buyer.

Although NAIA has been actively advocating basic research for several years, that research is primarily within the province of the companies. He noted that many progressive companies are getting into such research with encouraging results. In that area, agents can do little more than to offer cooperation and encouragement. However, open to agents is communication and cooperation with the men, company or bureau, who design the plans and contracts with which agents are challenged to beat the competition.

More and more in recent years, he said, the companies have omitted not only their agents but even their own field production force from any close contact with the plans and preparation of the final product to be offered. Unfortunately, he said, those who have devised what the agents have to sell have been executives and technicians thoroughly trained in the technical field but aiming at a target of the average of a group or a class.

Too often, he said, the business talks about the public and automatically thinks of the so-called mass market as a group. Nothing could be farther from the truth. Every average individual is, in fact, just as are his fingerprints, different from anyone else. When a client has a problem, he is interested in his problem, not in the total results of that class of risk.

Increasingly, he said, agents are asking why NAIA with its large membership cannot insist on having a bigger voice in the business. Such demands fom growing numbers of people of small individual strength have at times resulted in their becoming pressure groups and going to extremes by exercising their power for a temporary gain to the detriment of their particular industry, Mr. Jones said. Such developments have even resulted in unionization of individuals.

"In our case that would obviously be a step that could be taken only long after those individuals had ceased to be independent representatives working for their own account. I mention this not as an implied threat but because of a sincere fear on my part of danger to our industry."

He declared that it will always be management's responsibility to make final decisions, but it makes sense for company management to be guided by the experience of the agent, who is in daily contact with the buyer.

Adam President Of Worcester Mutual

John Adam Jr. has been elected president and a director of Worcester Mutual Fire. He fills the vacancy caused by the death last April of Minott M. Rowe.

John Adam Jr.

Mr. Adam was a cum laude graduate at Oberlin in 1937. He entered insurance with Glens Falls and in 1940 joined Central Mutual. He was advanced from special agent to vice-president in charge of the New England branch in Boston. Last January, Mr. Adam became vice-president of Worcester Mutual, responsible for all sales, sales promotion and public relations.

Mr. Adam is a CPCU and a member of the public relations committee of Society of CPCU. He has spoken at many state and national insurance meetings.

$10 Million Storm Damage In Midwest

(CONTINUED FROM PAGE 1)

each; St. Francis, Kan., with 500 losses, and Kearney, Neb., with 700, all at $150, North Platte, Kan., with 2,000 at $125, and Kimball, Neb., with 600 at $200.

Illinois was hit again July 3, producing 800 losses at Joliet and 1,600 losses at Kankakee, all averaging $100. This storm also wrought damage in Indiana, resulting in the following estimates: Anderson, 400 losses; Indianapolis, 400; Kokomo, 1,000; Lafayette, 400; Logansport, 1,200; Marion, 400; and Muncie, 400. All losses average $100.

Although aggregate damage from the St. Louis tornado in February, 1959, and the Ohio storms of March last year ran close to $10 million, it was concentrated in a comparatively small area, whereas last week's storms wreaked the most widespread damage seen in many years. This has resulted in no little grief for adjusters, who are hard-pressed to find enough personnel for the catastrophe areas. Western Adjustment, with 16 storm offices, and Underwriters Adjusting, with offices at Ottumwa, Kimball, Oskaloosa, and Peru, Ind., have dispatched 325 adjusters to handle the claim deluge.

Companies may feel that they are able to figure out their losses from wind alone, but the hail feature of last week's breeze makes the guesswork more hazardous.

Windstorm deductibles in the states involved, one company spokesman observed, will compel more careful scrutiny by loss departments to check for the deductible filing and effective date.

Most insurers have pretty well streamlined their small claims procedures and are prepared to handle the small losses expeditiously. The time-consuming and expensive use of loss pockets is becoming a less frequent practice for small claims, which are being paid off after a mere check of the proof of loss statement against the daily report. The bank check number acts also as the claim number. This procedure is easier, less expensive and accomplishes the purpose. There does seem to be a divergence in company thinking over what constitutes a small loss, however, with claims of anywhere from $100 to $1,000 falling into that category.

Loss reserves are usually set aside for small claims. These reserves are adjusted from month to month according to experience on average payments.

WANT ADS

Rates—$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

EXECUTIVE INSURANCE ACCOUNTANT

Multiple-line insurance company—San Francisco Bay Area—seeks experienced executive accountant for initial position as assistant to financial department manager. Age 35 to 50. Must have thorough knowledge of insurance financial statements plus ability to supervise accounting staff. Applicant should understand broad computer principles; will be expected to adapt computer (IBM 650-tape-RAMAC) to financial areas. College degree with major in accounting desirable. Please send experience resume to: Box S-42, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Two years minimum experience in Compensation and Public Liability. Age 25 to 35. Opportunity to learn all Casualty Lines.

Maryland Casualty Co.
309 W. Jackson Blvd. Chicago, Illinois

AVAILABLE

Young man 9 years experience National Brokerage firm. Interested in challenging position in Agency or Corporation Insurance Department. Heavy Fire Background with working knowledge of all lines. Reply Box S-52, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE AVAILABLE

Success pattern of developing Life and Accident and Sickness production for multiple line organization. Currently Home Office Sales Training Director. Six years managerial experience, age 36, energetic, college graduate. Willing to re-locate for right opportunity. Reply Box S-54, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

Illinois fire, marine and casualty insurance company charters. Interested parties write Box S-48, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER AVAILABLE CHICAGO AND VICINITY

Experienced Underwriter wants to make change. Some knowledge of Fire. Married. Excellent references. Write or call.

Raymond J. Strahl
710 Saylor Ave. Elmhurst, Ill.
TErrace 4-1583

FIELD MAN

Family man, age 37, 15 years experience—4 as Underwriter, 7 as Field Man, 4 yrs. at Agency level, Multiple Line—will relocate. Address Box S-47, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

14 YEARS EXPERIENCE OF FIRE AND MARINE ADJUSTING. DESIRE POSITION AS BRANCH CLAIMS MANAGER OR CLAIMS SUPT. WOULD LIKE TO LOCATE IN INDIANAPOLIS, EVANSVILLE, IND. OR WESTERN OHIO AREA. WOULD CONSIDER HEAVY ADJUSTING DUTIES. Reply Box S-45, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Compensation, liability, auto underwriter for Chicago office national Brokerage organization. Need experienced young man to assist in Casualty department. Company and customer contact, interesting work, excellent future. Our staff knows of this. Submit resume to Box S-44, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

MICHIGAN

Established, growing and progressive, multiple line company desires experienced Special Agents for Detroit, Flint and Grand Rapids areas. Salary commensurate with proven ability. Submit resume of experience to Box S-43, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE

To recruit and train salesmen for multiple line company. While not a direct writer, operation will be similar, and approximately 10 years minimum experience is required. Unlimited opportunity for right man who must be willing to locate in St. Louis area. If starting salary of $1,000-$1,200 monthly plus attractive Profit Sharing Plan interests you, send full resume including past experience and income, age (not over 50), and other pertinent details. All replies confidential. Box S-49, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

We will pay very well immediately and offer substantially greater income in the future to a man free to travel extensively. We are a General Managing Agency with a history of success in the field of Travel Accident Insurance. Background should include Agency contact and knowledge of the Insurance business. Please write giving history, or if convenient, please feel free to call on us.

FEDERAL UNDERWRITERS
636 South Park Street
Madison 5, Wisconsin

SALES PROMOTION—ADVERTISING MANAGER

Mid-west mutual multiple line company with "pup" subsidiary, entering new period of growth wants man with sales promotion and writing experience to produce ideas that sell, handle advertising and publicity, develop sales talks and training courses and edit company publications. Starting salary will depend on experience and ability. Liberal employee benefits. Give us complete summary of education and experience preliminary to personal interview. Our employees know of this opening. Box S-56, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM SUPERVISOR

Well known multiple line company needs experienced Casualty Claim Supervisor with minimum of 5 years experience in handling heavy liability lines. Opportunity for advancement. Many outstanding company benefits. Write, giving complete background, age, education, experience, salary requirements, to Box S-57, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Expansion of progressive Multiple Line company offers opportunity for capable Casualty Underwriter in our Kansas City office. Applicants must have at least 5 years experience in all lines except Bonds. Good salary and definite opportunity for growth. Unusually complete employee benefits. Inquiries to be kept confidential. Age to 45. Reply Box S-50, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITER

Experienced Casualty Underwriter with military or civilian aviation background. Prefer C.P.C.U. with heavy fleet experience. Unusual opportunity. Submit resume to Box S-1, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Stewart, Smith & Co., Inc. of 116 John Street, N.Y. 38, N.Y. have two vacancies for production men in their Reinsurance Department. Experience is essential and will govern terms of employment. **Letters should be directed to W. S. Collins, V.P. at the above address.**

Qualified buyer offers to purchase your agency on equitable basis. No volume too small for consideration. Write Box S-38, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EXCELLENT OPPORTUNITIES IN CASUALTY UNDERWRITING

Aggressive casualty underwriters needed by one of the largest and fastest growing multiple line insurance companies. We have openings for these positions with potential advancement to Underwriting Manager.

CHIEF UNDERWRITER
Capable of final decisions on risk quotation and selection. Capable of assisting underwriting manager. Five or more years multiple line casualty insurance experience required.

SENIOR UNDERWRITER
Capable of risk selection and quotation. Three or more years of experience in multiple line casualty insurance necessary.

Positions available in New York, Syracuse, Cleveland, Indianapolis, and Seattle-Portland.

These positions call for someone under 40 years of age. Write Box S-51, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ACCIDENT AND HEALTH MAN

Large multiple line mutual casualty company needs a top-flight accident and health man. Must be experienced in hiring and training men in the sale of INDIVIDUAL accident and health policies thru agents. Considerable travel involved. Lower five figure salary. Write giving complete personal and work history.

Box S-33, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Progressive minded 35 year old Casualty Company is streamlining its operation. We have an unusual opportunity for a man under 35 with policy production experience to take complete charge of our policy production line, clerical personnel and to coordinate the use of our electronic equipment. This is a permanent position carrying department head status. We want a capable man who through actual experience knows this phase of the business and who is willing to grow with a growing company. Salary open. Retirement and full insurance benefits. Submit biographical information, qualifications and expected starting salary in writing only to personal attention of Secretary.

HERITAGE MUTUAL INSURANCE COMPANY
809 North 8th Street Sheboygan, Wisconsin

SAFETY ENGINEERING DEPT. SUPERINTENDENT

This is a challenging Home Office opportunity with a large Multiple Line company located in Midwest. Full responsibility of Safety operations. Should have proven Administrative and Technical ability. Opportunity for wider future responsibilities.

Opening in Home Office also for Safety Engineers with heavy technical experience to deal with top management on nationwide accounts. Assist Field Engineers on technical problems and perform liaison work with Underwriting and Production departments. College degree helpful. Salary open. Outstanding company benefits. All replies confidential. Write Box S-27, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Boiler and Machinery

Special Agents—Underwriters

Excellent opportunities with company well-established in boiler and machinery field. Liberal employee benefits. Opportunities country wide. Minimum 2 years experience in underwriting or as special agent.

Please submit complete resume, which will be held in strictest confidence, to:

Box NY-34
c/o National Underwriter
17 John Street
New York 38, New York
Room 1401

POSITION WANTED:

Field man or state agent—Arizona. Fourteen years multiple line experience, company and agency. Age 37, married, Reply Box S-55, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE COMPANY

make your frontier in Denmark

. . . .

The majority holding in a Danish non-tariff casualty-insurance company of good standing for sale.

. . . .

Avail yourselves of this chance of good business in Denmark. Our organization is already smooth running and ready

FOR YOU

With a view to competition offers from American insurance companies, not already represented in Denmark, directly or indirectly, will be preferred.

. . . .

Interested companies are invited to address:

Box S-39, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE EXECUTIVES

Chicago—Mid-West—National

Underwriters-Casualty-Fire	$12,000
Fieldmen Casualty-Multiple-Farm-A&H	$10,000
Underwriter Special Risks	$8,000-$11,000
Underwriter Inland Marine	$10.000
Loss Supervisors Fire-Casualty	$8,000
Adjusters Fire-Casualty	$7,500
Adjusters Trainees-Car-Expenses	$5,000
Engineers-Safety-Fire	$7,000
Underwriter Fleet and Cargo	$8,200
Executive type Underwriter	Open
Actuary Casualty	Open
College Grads Trainees	$5,100
Supervisor Office	$7,600
Accountants Cost-Gen.-Asst. Comp. to	$12,000
Various Trainees	

Phone, write, or wire, Mr. Frazler
GODFREY PERSONNEL—HA 7-6727
220 S. State St., Suite 412, Chicago, Illinois

WANTED

Standard or Substandard Automobile Physical Damage business for Stock company. Will pay top commission. If interested, write giving volume available to: Box S-46, c/o National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Editorial Comment

More Company Executives Speak Out

Perhaps as much as any other index, the climate of the times is suggested by the fact that agency company executives are appearing in public to comment on the issues of the day. Seldom in the past, if ever, have as many executives of this type of company taken the trouble to express their views.

With all that is occurring today in the business in way of specific developments and important trends, traditional relationships are being subjected to pressure and strain. Old attitudes are being adjusted. Personal and corporate paces are being accelerated and directions altered. Important changes are being hammered out in the procedures and substance of the business.

It is a good thing for company executives to get up and say their piece. When they agree to appear in public, they have to assess situations and reach conclusions. This is good practice. Also, more intramural discussion of the issues is needed today. It has always been an error to assume that those in the business understood to a satisfactory working extent the position, character, and talent of those who constitute the companies.

Now, of course, there are verities to defend, alterations to explain, and new objects to support and get support for.

At times in the past the companies have been criticized for the fact that their spokesmen, when there were any of them speaking at all, were not the top talent in the business. In recent times, some of the best talent in the business representing the strongest companies, have been communicating. We hope they keep it up.—K.O.F.

What Is Right With This Business?

(From a talk before the convention of Mississippi Assn. of Insurance Agents.)

Agency is a business which offers unusual economic opportunities today and that promises substantially increased opportunities in the next decade. However, in addition to its economic attractions, it is a business that has very strong appeal for those who want an interesting career, who want a business of their own, and who at the same time would like to be of service to other men and to the community.

The sheer interest of the agency business is seldom discussed, which is too bad. For the business has a very real appeal simply because it is interesting to be an agent. For variety and sheer inherent interest for those who make a career of it, I know of no business and few professions that can match it.

If you have any curiosity about what goes on in the world, this is the place to indulge and practice it. Agency not only gives you the right to stick your nose into other people's business but actually imposes a responsibility on you to do so. As one agent recently commented, since no business man is going to learn insurance—he doesn't have the time—the producer learns his business. If he does, he becomes in effect the insurance manager of the concern.

There is no significant aspect of the individual's life and fortunes with which the agent can be unconcerned.

Thus, the agent's business is everybody's business. How would you like to have to sell a young man on a career in banking—just counting money all the time; or delivering plumbing fixtures all the time; or just delivering babies all the time, like a pediatrician? Insurance touches all of these, whether you are selling personal or commercial insurance. You deal with every enterprise and profession and vocation and avocation. You are offsetting death and destruction. If this doesn't make you feel like St. George once in a while, it is because you have not the imagination to see the significance of what you do.

Why not capitalize on the fact that few if any other careers are so varied or so dramatic?

Perhaps one reason more of the real and vital interest of the business has not been promoted is that for reasons which I do not consider valid, or for no reason at all, little or nothing is made of losses, claims, and payments by insurers—except by way of statistics, which are about as dramatic to the average insured as sawdust is to a teen ager looking for hamburgers.

The files of insurers (and even agencies) are full of materials which advertising and public relations men or other businesses would pay dearly to have—fact stories of the most fascinating sort which demonstrate the values in the product that the agent sells. This is a gold mine to which the agent has rights and easy accessibility. Outsiders occasionally come upon this material and mine it. Why shouldn't you?

You can use these stories to sell, advertise and promote a good public impression of you and the business you are in. Beyond that, you can use it to sell young men on entering the agency field as a career.

But basically the appeal of the agency business is the product you deliver.

If you don't deliver a product insured can see, drive, taste, or wear, neither do you deliver a product that wears out. It is always there, ready to perform at any of the several critical junctures of insured's life.

As an agent you have more opportunity to contribute to the content and value of the product than those in almost any other business—by way of advice, availability and technical know-how.

You are in a business that performs significant, even remarkable services for your clients. This becomes notably so if you are providing all of the services and coverages which are open to you and that are needed by insured.

Where can you find a better product? The future is built into it—with life insurance you protect families, educate children and grandchildren, and keep your clients out of the poorhouse. With property and liability insurance you are protecting what a man has, and the tendency is always for him to have more to protect. With disability insurance you are protecting his earning power, and the tendency for that earning power is to go up. There is thus almost always the need for more of the product. There is seldom enough of it when it is needed. It is a real service to place it. If it comes close to being enough at that time, you earn the gratitude of insured or beneficiary.

Insurance is self help of the finest kind, It is one of the few genuine ways in which the group can help the individual who still helps himself.—K.O.F.

Personals

G. A. Mavon, chairman of G. A. Mavon & Co., Chicago, insurance company managers, and Mrs. Mavon celebrated their golden wedding anniversary last month at the home of their son, Phil, who is president of the firm. An even 50 family members and guests, including the G. A. Mavon's three children, eight grandchildren and one great grandchild attended the garden party festivities.

Jack Scanlan, A&S superintendent of the western department of Fireman's Fund, and Mrs. Scanlan celebrated Independence Day with the birth of a 9 lb., 2 oz. baby girl, Wendy Sue. She is their first child.

Sherman G. Otstot, executive vice-president of North Carolina Assn. of Insurance Agents, is recuperating at his home in Raleigh following a major operation.

Deaths

W. W. WATERS, 61, vice-president Ohio Farmers died of a heart attack. Mr. Waters was with Ohio Farmers for 37 years, starting in the fire underwriting department. He was special agent in Ohio and then state agent before being made an assistant secretary in 1949. He was elected vice-president in 1957. He was a past Most Loyal Gander of Ohio Blue Goose and a past president of Ohio Fire Prevention Assn.

W. W. Waters

MICHAEL J. LOUGHREY, 53, secretary of American Foreign Insurance Assn., died June 30 at Muhlenberg Hospital in Plainfield, N. J. He joined AFIA in 1925 as an examiner in New York, and fulfilled various managing capacities in Israel, Lebanon, Cyprus, Colombia, Philippines, Hong Kong, Japan and Guam. After returning to the U.S. he was appointed assistant fire underwriter in 1950 and superintendent in 1957, and was elected secretary in 1959.

Mrs. ROBERT W. DAUER, 61, whose husband is an agent in Erlanger, Ky. died after a short illness. She was the mother of Robert C. Dauer, assistant editor of the Fire, Casualty & Surety Bulletins.

Miss ROSE L. STITH, owner of the Alex W. Tippett agency of Louisville died at St. Joseph's Infirmary.

JOSEPH L. CAMPBELL, 56, vice-president of Employers Reinsurance died at Trinity Lutheran Hospital Kansas City. He entered insurance in 1922 and three years later went with Inter-Ocean Reinsurance. He spent ten years at the home office and another 1 as vice-president in charge of wes

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EDITORIAL OFFICE
17 John St., New York 38, N. Y.
Tel. BEekman 3-3958 TWX NY 1-3080
Kenneth O. Force, Executive Editor
John N. Cosgrove, Associate Editor
Eugene G. Downey and Jud Higgins, Assistant Editors

CHICAGO EDITORIAL OFFICE
175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAbash 2-2704 TWX CG 654
John C. Burridge, Managing Editor
Richard G. Ebel, William Faltysek and R. R. Cuscaden, Assistant Editors
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coast operations before he joined Employers Reinsurance in 1947 as manager of fire reinsurance. Mr. Campbell was elected vice-president of Employers Re in 1950 and later was elected a director.

WALTER G. STEPHENSON, 57, president of Davis & Stephenson agency, Roanoake, Va., died of a heart attack following a swim at Virginia Beach. He was attending the annual convention there of Virginia Assn. of Insurance Agents of which he was a past president.

JOHN O. JEFFREY, 61, retired secretary-treasurer of the Weekly Underwriter, died at St. Albans, Vt. He had been an officer of Underwriter Printing & Publishing Co., publisher of the Weekly Underwriter, for 34 years prior to his retirement for reasons of health in 1956.

George H. Parker, who retired June 30 as manager of Kentucky Inspection Bureau, and Mrs. Parker were called to White Plains, N. Y., July 1 owing to the serious illness of their daughter, **Mrs. ARTHUR D. WILLIAMS Jr.**, who died the same afternoon.

CHESTER A. DRUMMOND, 66, former Arizona manager for Fidelity & Deposit at Phoenix, died there. He retired in 1958, having been with the company 37 years.

JOSEPH O. STEVENS, 61, secretary of American Home, died of a heart attack at Beth Israel Hospital in East Orange, N. J. He had been with the company for 30 years.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. La Salle St., Chicago, July 5, 1960

	Bid $	Asked $
Aetna Casualty	77	79
Aetna Fire	79	81
American Equitable	36½	38
American, Newark	25¾	26¾
American Motorists	13¾	15
Boston	33½	34½
Continental Casualty	72	74
Crum & Forster	63	66
Federal	56	57½
Fireman's Fund	55½	57
General Re.	99	102
Glens Falls	35¼	36¼
Great American	43	44¼
Hartford Fire	48¼	49½
Hanover	42½	43½
Home of N. Y.	54½	55½
Ins. Co. of No. America	66	67
Jersey Ins.	31	33
Maryland Casualty	35	36¼
Mass. Bonding	41	42
National Fire	140	145
National Union	35	36½
New Amsterdam Cas.	50½	52
New Hampshire	51½	53
North River	35	36
Ohio Casualty	23	25
Phoenix, Conn.	77	79
Prov. Wash.	20½	21½
Reins. Corp. of N. Y.	21½	23
Reliance	53½	55
St. Paul F. & M.	56	57½
Springfield F. & M.	32½	33½
Standard Accident	49	51
Travelers	83	85
U.S.F.&G.	40½	41½
U. S. Fire	29	30

Stock Bid Prices Given

(CONTINUED FROM PAGE 2)

Victory Life	80	88
Wash. Natl.	46½	56½
Wis. Natl. Life	31	40½
Westchester	29¾	29¾
Western Cas.	43	43
West Coast Life	31	38

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT
Cartwright, Valleau & Co., Board of Trade Building, Chicago

At 1960 mid-stream fire-casualty stocks want to bloom; life stocks may be ready to bud.

Property insurers continue to gain converts among investors as the story spreads that they are not condemned forever to pour premiums into a bottomless sieve. Midyear statements will be heartening. Liability lines are providing muscles. Contract bond losses and workmen's compensation are trouble spots. Storm losses mute the picture but are expected. Soon we will face the hurdle of the hurricane alphabet.

In the market there has been an alternation of favorites. Last week Aetna Fire surged ahead, from 74 to 80. Phoenix moved up in sympathy. Travelers recovered strongly from a little sinking spell. Farmers Underwriters Assn., which owns control of Farmers New World Life and which is attorney-in-fact of Farmers Inter-Insurance Exchange, was in demand and advanced from 31 to 35.

Life stocks here and there make a timid start out of the cellar. As a group they are up from their 1960 lows and that could very well have been a firm bottom. As the year progresses and splendid earnings and gains become framed there could be a good rediscovery of life stocks.

In this issue are listed the bid prices for about 120 insurance stocks at June 30, along with the Dec. 31, 1959 bids.

The average bid price of 67 predominantly fire-casualty stocks at June 30 was 48.7, as against 50.1 at Dec. 31. Thus the decline was just short of 3%. The Dow-Jones averages were off about 5½%, so that's a triumph for the property insurers.

For 51 life stocks (including Travelers) the average bid price declined 11.2% or from 93.2 to 82.8. All of the issues on the N. Y. Stock Exchange backed down an average of 10%, so the life stocks were fully as degraded as the whole list.

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Capital Planning Services of Nashville has published a pamphlet supporting the argument that "selected life insurance stocks exhibit, to an unusual degree, the characteristics of long term growth" and that present price-earnings ratios are very reasonable for equities with such excellent long range possibilities.

Price earnings ratios at Dec. 31, 1959, that are cited (these would be even more conservative at June 30) are: Aetna Life 13.2, BMA 11.1, Commonwealth 11.1, Conn. General 15.4, Franklin 20.9, Jefferson Standard 14.9, K. C. Life 10.8, Life Ins. Co. of Va. 10.8, Lincoln National 14.2, Monumental 10.1, National Life & Accident 15.2, Provident L. & A. 12.3, Travelers 13.5 and Washington National 13.6.

"Life Insurance Stocks for Growth, The Miracle of Compound Interest," is the title of the pamphlet. Capital Planning is distributor of shares of Life Insurance Investors, the open end investment trust. The directors of L.I.I. predict that life insurance will enjoy its greatest period of growth during the next 10 years, with insurance in force reaching the range of $1 trillion, or double its present stage. Also they predict that a satisfactory margin of profit will be maintained in the face of rapidly increasing sales. Over-all future earnings will be little affected by the new tax legislation, the authors say.

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Francis I. duPont & Co. put out a study and recommendation of Reliance Ins. Co. (That stock was on the plus side last week.) A combination of increasing premiums and underwriting improvement is emphasized. Viewed as a quasi-investment trust, the shares are available at about 84% of year end book (capital-surplus) value of $63, and if viewed as an insurance company the shares are selling at a discount of 40% from liquidating value.

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A. M. Kidder & Co., in a bulletin, recommends Aetna Life, Gulf Life, Provident L. & A. and Travelers. Each is selling at just about 12 times 1959 adjusted net operating earnings per share. Since 1954 there has been a 68% increase in net worth of Aetna Life, Gulf Life 20%, Provident 64%, and Travelers 50%.

A. M. Kidder voices the belief that stocks of the leading life insurance companies which show growth in total business and in earnings and capital funds are entitled to sell from 15 to 20 times adjusted earnings and from 1½ to 2 times liquidating values. These four companies are selling today at just 100% of such values.

Life insurance stocks are selling at 4% below their record "high" prices established in 1955 despite a 5-year gain of 34% in assets and 64% in insurance in force, A. M. Kidder observes.

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Clark, Dodge & Co., in a new review of the fire-casualty field, thinks that an aggressive well managed company can do well in regard to profits over the next few years. Parenthetically they say they have reservations on the longer term outlook for such companies. These companies in the first half year showed moderate appreciation as compared with the sharp decline in industrials. Hartford Fire, North America, St. Paul and U. S. F. & G. are called "quality equities that offer appreciation possibilities with minimum risk." Continental, Home, and Fireman's Fund are improving their underwriting positions and hence their investment status and offer above-average appreciation potential. Smaller companies that have the best chance of doing well over the near-term are Glens Falls, Great American and Reliance.

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Shelby Cullom Davis suggests a package of insurance stocks that would yield 4.1% comprising American, Employers Group, Great American, Home and Westchester. Such a yield is inviting coupled with appreciation possibilities of 25 to 33% as underwriting improves and probable dividend increases this fall. Yields at today's costs are likely to be 5-5½% within several years.

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Mass. Investors Trust Growth Fund during the quarter ended May 31 added 2,000 shares to its holdings of Washington National. They now own 14,000 shares. Its other insurance investments are 37,500 Aetna Casualty, 66,667 Aetna Life, 77,500 Continental Casualty, 56,000 National Life & Accident, 22,500 Travelers.

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Forbes in its July 1 issue has an article suggesting that there is a new and better tone to the life insurance stock market. Quoted are Theodore Newton of Shelby Cullom Davis & Co., Kingsland Weed of A. M. Kidder & Co., and King Ghegan of E. L. Tatro & Co.

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Fahnestock & Co. in a new study said Old Republic Life is capitalizing earnings and prospects for further growth on a reasonable basis and offers interesting long range potentialities, as well as a 4.1% return.

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